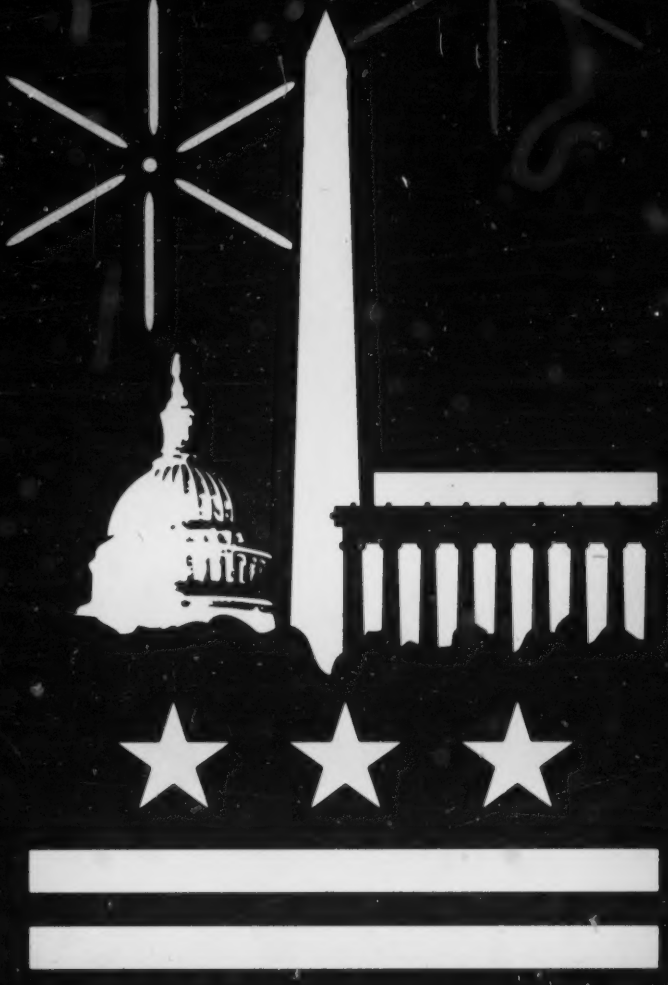
S1507-1-U

# 200 YEARS



DISTRICT OF COLUMBIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1990

January 28, 1991

Dear Citizens:

On January 2, 1991, a new administration and a new Council took office in the District of Columbia. A new day has begun for the District government and for you as citizens of the District. My administration is committed to providing an *Honest Deal* for the taxpayers of the District. I believe that the place to start is with a full exposition of the financial condition of the District government.

This comprehensive annual financial report covers fiscal year 1990, which ended on September 30, 1990, prior to my taking office. Some of the highlights of the report can be summarized as follows:

- The General Fund of the District had a deficiency of revenues under expenditures and uses of $118.2 million, which compares with an excess of $5.4 million for 1989. The deficiency for 1990 increased the General Fund's accumulated deficit to $331.6 million from $213.4 milion at the end of 1989.
- Revenues of $3,680.2 million in 1990 were $191.1 million more than 1989, an increase of 5.5%.
- Expenditures and uses of $3,798.4 million in 1990 were $314.7 million more than 1989, an increase of 9.0%.
- Cash and investments of the General Fund at the end of 1990 of $109.7 million were $23.8 million more than at the end of 1989, an increase of 27.7%. However, accounts payable at the end of 1990 of $230.3 million were $92.4 million more than at the end of 1989, an increase of 67.0%.

A major priority of my administration is to turn around the financial condition of the District. We will not only remedy the immediate budget problems the District faces, but also take steps to improve the long term financial condition of the District government. Improving the government's financial condition is important to us all because it affects the government's flexibility and the cost of borrowed money. Without flexibility and access to the capital markets we will not be able to implement creative approaches to the service needs of citizens or reduce the serious backlog of infrastructure improvements which are required.

Changing the financial outlook of the District of Columbia is a great challenge. Eroding the financial well-being of our citizens through repeated tax increases is not the answer. The District must restructure its operations in ways that reduce costs while better serving the needs of our citizens. At the same time, tax revenues must be fully collected when due and other sources of revenue, such as federal grants and fees for services, must be diligently pursued.

We must work with the President and Congress to recover the full cost of the federal presence in the District and the revenue lost due to federal restrictions on the District's taxing authority. We hope that our efforts will result in a formula-based federal payment, a resolution to our unfunded pension liability, and funding of the General Fund's accumulated deficit.

I understand that making the transition to an efficiently managed government, financially supported by all who benefit, will be difficult and require tough decisions. However, I am confident that, with your support, the District will be fiscally sound while providing services that are in keeping with the heritage of this nation's most important city.

Sincerely,

Sharon Pratt Dixon

Sharon Pratt Dixon
Mayor

DISTRICT OF COLUMBIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1990

Prepared by:

Office of the Controller
415 Twelfth Street, NW
Washington, DC 20004

# INTRODUCTORY SECTION

This section contains the table of contents, letter of transmittal, organizational chart, list of principal officials and Certificate of Achievement for Excellence in Financial Reporting.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Year Ended September 30, 1990**

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*INDICES: A Statistical Index to District of Columbia Services* contains historical, current and planned data about the people, the neighborhoods, the economy and the government of the District. Federal and District agencies, businesses and other private and public organizations provide information displayed in *INDICES* which is published in July of each year. A copy of the 400 page reference book may be purchased from the Mayor's Office of Policy.

**DISTRICT OF COLUMBIA**

**OFFICE OF FINANCIAL MANAGEMENT**

1350 PENNSYLVANIA AVENUE, NORTHWEST
WASHINGTON, DC 20004
TEL 1-202-727-2476
FAX 1-202-737-5258

January 25, 1991

The Honorable Sharon Pratt Dixon,
Mayor of the District of Columbia:

### Management Responsibility

The comprehensive annual financial report of the District of Columbia for the fiscal year ended September 30, 1990, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

### Report Sections

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and the Certificate of Achievement. The financial section includes the general purpose financial statements and the combining and individual fund statements and schedules, as well as the independent auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

### Reporting Entity

This report includes all funds and account groups of the District. The District provides a full range of state, county and city services. These services include public safety (police, fire and corrections), public works (transportation, sanitation and construction), social services (health, welfare and recreation), economic development (housing, regulation and employment) and public education (schools and libraries). In addition to general government activities, the Council exercises oversight of the water and sewer utility, the general hospital, the stadium and armory complex (Starplex), the convention center, the lottery, the university, housing finance and the retirement program. Therefore, these activities are included in this report. But, the District of Columbia Economic Development Finance Corporation and the Washington Metropolitan Area Transit Authority have not met the established criteria for inclusion in this report as component units, and accordingly are excluded. However, the District's investment in the Washington Metropolitan Area Transit Authority, which is a joint venture of Maryland, Virginia and the District, is included in this report.

## Economic Condition and Outlook

As the nation's capital, the District of Columbia is the seat of the three branches of the Federal government and headquarters for most Federal departments and agencies. The Federal workforce in the District averaged 220,400 employees in 1989 while an additional 145,000 Federal employees worked elsewhere in the metropolitan area.

In addition to its role as the nation's capital, the District is host to 137 foreign embassies and 36 other recognized diplomatic missions, with more than 10,000 employees. A number of international organizations, such as the International Monetary Fund, the World Bank, the World Health Organization, and the Organization of American States have their headquarters in the District.

In 1989, an estimated 19.3 million persons visited the District. Those visitors provided about $2.3 billion in revenue to the hospitality industry and supported 54,000 jobs. Visitors are attracted not only by the need to do business with the national government and regional businesses but also by the national monuments, 350 historic sites, 56 museums, and other major cultural attractions. The Kennedy Center, National Gallery of Art, Smithsonian Institution and Library of Congress are all cultural institutions of international renown.

The Washington metropolitan area has developed into a diverse economic entity with Federal government employment providing a stable base for significant expansions in services, aerospace, high technology and communications and as a site for corporate headquarters.

Per capita personal income in the District was $23,436 in 1989, compared to $17,567 for the United States. The relatively high per capita and household incomes in the District result from a combination of factors including a high labor force participation rate, multiple earner households, small household size (2.3 persons), a large percentage of college graduates and a substantial concentration of employed residents in highly-skilled occupations.

Approximately 32% of employment in the District was provided by the Federal government and 9% by the District government in 1989. In the metropolitan suburban area, government jobs provided 20% of employment. Private employment in the District constituted 59% of jobs divided between services (62%), wholesale/retail (16%), finance, insurance and real estate (8%), transportation, communications and utilities (6%), and construction and manufacturing (8%). The convention and tourism industries and institutions of higher education are also major employers in the District. The headquarters of more than 2,500 national trade associations, voluntary societies and labor organizations are located in the District.

Total employment in the metropolitan area was 2,230,900 in 1989, an increase of 3.1% since 1988. (This number excludes self-employed, domestic workers, military and foreign government personnel. As such, the number excludes significant portions of the actual employed workforce in the area.) District employment in 1989 was 682,500, 31% of the area total.

The District economy, like that of the nation, appears headed for an economic slowdown in the immediate future. Evidence is mounting, in terms of a variety of economic indicators, that the District downturn began in 1990. This decline, or slower rate of growth, is expected to characterize several key economic variables for at least the next year or two. The number of employed District residents declined in 1990, for example, while the number unemployed and the unemployment rate increased. Taxable retail sales are expected to fall slightly in the near future and then to resume growing, but at rates below the expected increase in consumer prices. Personal income is anticipated to continue to advance but again at rates that are roughly equal to the rise in prices. Thus, workers will be no better off in "real" terms since their increase in wages and salaries will be nearly the same as the increase in prices they must pay for the goods and services consumed. These signs of economic slowdown will, of course, have an unfavorable impact on the District budget as revenues will grow at a slower rate than in the recent past while expenditures will increase, particularly in spending categories related to unemployment and welfare programs. While the length and severity of the economic downturn remains problematical, the District economy remains centered on the government and service sectors. Taken together, these two sectors represent close to 80% of all income produced in the District and account for more than three-quarters of the jobs located in the District.

### Major Initiatives

The District has experienced substantial growth in the assessed value of taxable real property, from $35.3 billion in 1989 to $39.0 billion in 1990 and particularly for commercial property, which increased in value from $19.5 billion in 1989 to $21.8 billion in 1990. Significant new construction of office buildings has added approximately 3.7 million square feet in the District between 1988 and 1989. A major redevelopment project along Pennsylvania Avenue, including office buildings, hotels and residential areas, is being developed by a Federal agency, the Pennsylvania Avenue Development Corporation. At December 31, 1989, the District had 68.8 million square feet of private commercial office space and the vacancy rate for such space was 9.5%.

At year end, the District was constructing 168 projects. The amount authorized for these projects was $820.0 million, of which $269.3 million was expended to date, and the unexpended balance was $550.6 million.

The downtown element of the District's Comprehensive Plan outlines overall land use targets for office space, retail space, hotel rooms, residential units and arts space, to be achieved by the year 2000. Office space is to increase from 26.3 million square feet in 1989 to 35.1 million in 2000, an increase of 8.8 million square feet, or 33%. Retail space will remain the same at 5.7 million square feet as old space is replaced by more productive new retail space. Hotel rooms are targeted to increase from 7,622 in 1989 to 11,010 by 2000, an increase of 3,388 rooms, or 44%. Residential units are planned to increase from 1,735 in 1989 to 5,400 in 2000, an increase of 3,665 units, or 211%.

### Accounting System

The District's accounting system is organized and operated on a fund basis. A fund is a group of functions combined into a separate accounting entity (corresponding to a corporation in the private sector) having its own assets, liabilities, equity, revenues and expenditures/expenses. The types of funds used are determined by generally accepted accounting principles and the number of funds established within each type is determined by sound financial administration. Specialized accounting and reporting principles and practices apply to governmental and expendable trust funds. Proprietary and pension trust funds are accounted for in the same manner as similar business enterprises or nonbusiness organizations.

### Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### Budgetary Control

The District maintains budgetary controls designed to monitor compliance with expenditure limitations contained in the annual appropriated budget of the General Fund approved by the United States Congress. A project-length financial plan is adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within the General Fund. The District also maintains an encumbrance recording system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end in the General Fund but not in the Capital Projects Fund.

The District's appropriated budget is enacted on a basis not consistent with generally accepted accounting principles. The principal difference is the exclusion of interfund, gift and grant revenues and related expenditures from the appropriated budget.

**As with the financial section, all amounts presented in the remainder of this letter are expressed in thousands.**

### General Fund

Governmental funds consist of the General Fund and the Capital Projects Fund. Operations are reported to show an *excess* or *deficiency* on a flow of *current financial* resources measurement focus. Capital outlays, debt proceeds and principal payments are included in their operating statements. Depreciation is not charged against operations. Interest incurred during construction is not capitalized.

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund operations are summarized below.

| | 1990 | 1989 | Increase | Percent |
|---|---|---|---|---|
| Revenues | $3,680,262 | 3,489,191 | 191,071 | 5.5% |
| Expenditures and uses | 3,798,448 | 3,483,722 | 314,726 | 9.0 |
| Excess (Deficiency) | $ (118,186) | 5,469 | (123,655) | (2,261.0)% |

The General Fund changes in cash and investments are summarized below.

| | 1990 | 1989 | Increase | Percent |
|---|---|---|---|---|
| Originations | $3,875,406 | 3,815,707 | 59,699 | 1.6% |
| Applications | 3,851,581 | 3,821,374 | 30,207 | 0.8 |
| Increase (Decrease) | $ 23,825 | (5,667) | 29,492 | 520.4% |

The General Fund had a total fund deficit of $331,589 at September 30, 1990 represented by liabilities of $897,135 less assets of $565,546. The total fund deficit reported in the first complete audit for 1980 was $377,810. The deficit has been reduced by $46,221 since 1980. The goal is to reduce the deficit by $30,000 a year over the next ten years.

The following summary presents revenues by source class for the current year and the amount and percentage of increases and decreases in relation to prior year revenues.

| | 1990 | | Increase (Decrease) from 1989 | |
|---|---|---|---|---|
| Source Class | Amount | Percent | Amount | Percent |
| Property taxes | $ 737,138 | 20.0% | $ 26,372 | 3.7% |
| Sales and use taxes | 546,823 | 14.9 | 39,654 | 7.8 |
| Income and franchise taxes | 777,651 | 21.1 | 17,768 | 2.3 |
| Gross receipts taxes | 127,573 | 3.5 | (9,107) | (6.7) |
| Other taxes | 89,942 | 2.4 | (158) | (0.2) |
| Total taxes | 2,279,127 | 61.9 | 74,529 | 3.4 |
| Licenses and permits | 32,285 | 0.9 | (784) | (2.4) |
| Fines and forfeits | 48,542 | 1.3 | 3,031 | 6.7 |
| Charges for services | 139,554 | 3.8 | 13,798 | 11.0 |
| Miscellaneous | 98,431 | 2.7 | 4,941 | 5.3 |
| Total District sources | 2,597,939 | 70.6 | 95,515 | 3.8 |
| Payment in lieu of taxes | 506,966 | 13.8 | 53,166 | 11.7 |
| Operating grants | 575,357 | 15.6 | 42,390 | 8.0 |
| Total Federal sources | 1,082,323 | 29.4 | 95,556 | 9.7 |
| Total revenues | $3,680,262 | 100.0% | $191,071 | 5.5% |

The following summary presents expenditures and uses by function for the current year and the amount and percentage of increases and decreases in relation to prior year expenditures and uses.

| Function | 1990 Amount | 1990 Percent | Increase (Decrease) from 1989 Amount | Increase (Decrease) from 1989 Percent |
|---|---|---|---|---|
| Current expenditures: | | | | |
| Governmental direction | $ 153,766 | 4.1% | $ 6,752 | 4.6% |
| Economic development | 275,225 | 7.2 | 16,256 | 6.3 |
| Public safety and justice | 1,040,924 | 27.4 | 111,941 | 12.0 |
| Public education system | 713,372 | 18.8 | 54,515 | 8.3 |
| Human support services | 1,212,370 | 31.9 | 115,339 | 10.5 |
| Public works | 287,094 | 7.6 | 17,005 | 6.3 |
| Future employee benefits | (234,595) | (6.2) | (64,942) | (38.3) |
| Total | 3,448,156 | 90.8 | 256,866 | 8.0 |
| Debt service: | | | | |
| Principal | 84,922 | 2.2 | 13,179 | 18.4 |
| Interest and fiscal charges | 169,928 | 4.5 | 12,823 | 8.2 |
| Other financing uses: | | | | |
| Net refunding payment | — | — | (933) | — |
| Operating transfers | 95,442 | 2.5 | 32,791 | 52.3 |
| Total expenditures and uses | $3,798,448 | 100.0% | $314,726 | 9.0% |

The following summary presents current expenditures by object class for the current year and the amount and percentage of increases and decreases in relation to prior year current expenditures.

| Object Class | 1990 Amount | 1990 Percent | Increase (Decrease) from 1989 Amount | Increase (Decrease) from 1989 Percent |
|---|---|---|---|---|
| Salaries and wages | $1,506,719 | 43.7% | $ 68,003 | 4.7% |
| Total employee benefits | 629,689 | 18.3 | 109,836 | 21.1 |
| Future employee benefits | (234,595) | (6.8) | (64,942) | (38.3) |
| Contractual services | 305,869 | 8.9 | 18,676 | 6.5 |
| Supplies | 90,864 | 2.6 | 10,471 | 13.0 |
| Occupancy | 126,687 | 3.7 | 9,057 | 7.7 |
| Public assistance | 569,369 | 16.5 | 46,771 | 8.9 |
| Other | 453,554 | 13.1 | 58,994 | 15.0 |
| Total current expenditures | $3,448,156 | 100.0% | $256,866 | 8.0% |

**Capital Projects Fund**

During 1990, grants, loans and transfers totaled $444,668 and capital outlays were $329,599 which resulted in an excess of $115,069. The capital outlays consisted of $309,549 for general fixed assets and $20,050 for proprietary fixed assets. The Capital Projects Fund had a total fund balance at the end of the year of $151,658.

From 1981 through 1990, the Capital Projects Fund had revenues of $631,091 in capital grants, $1,553,341 in debt proceeds and $55,758 in net operating transfers, and expenditures of $2,132,310 in capital outlays. The Capital Projects Fund had a total fund balance at the beginning of 1981 of $43,778.

### Enterprise Funds

Enterprise funds are used to account for component units engaged primarily or solely in selling goods or services to the general public on a continuing basis. Operations are reported to show a *net income* or *net loss* on a flow of *economic* resources measurement focus. Capital outlays, debt proceeds and principal payments are not included in their operating statements. The cost (including interest incurred during construction) of fixed assets acquired is capitalized and recovered through depreciation charged against operations over the lives of the assets. Depreciation on fixed assets acquired by capital grants or by the university is closed to Contributed Capital and not to Retained Earnings.

The District operates six enterprise funds as summarized below.

| Fund | Operating Revenues | Income (Loss) Before Transfers | | Operating Transfers In (Out) | |
|---|---|---|---|---|---|
| | 1990 | 1990 | 1989 | 1990 | 1989 |
| Water and Sewer | $189,189 | 11,528 | 21,709 | — | — |
| General Hospital | 52,088 | (73,067) | (51,569) | 49,993 | 44,430 |
| Starplex | 8,414 | 1,409 | 950 | — | (1,000) |
| Convention Center | 7,440 | (13,604) | (10,485) | 10,603 | 8,597 |
| Lottery and Games | 67,763 | 49,188 | 53,335 | (48,875) | (53,000) |
| University | 8,224 | (82,232) | (80,791) | 74,958 | 74,310 |
| Total | $333,118 | (106,778) | (66,851) | 86,679 | 73,337 |

The Water and Sewer Fund supplies potable water from the Potomac River and operates a sewerage system. District waste treatment facilities process sewage for the District and local jurisdictions in suburban Maryland and northern Virginia. User charges recovered 117.2% of cost (excluding depreciation) in 1990 and 123.0% in 1989.

The General Hospital Fund operates the 400-bed District of Columbia General Hospital and is a major provider of health services to indigent patients. The hospital recovered 43.4% of its cost (excluding depreciation) through user charges in 1990 and 58.8% in 1989. The fund had a deficit balance of $38,117 in retained earnings at September 30, 1990. While the deficit increased by $32,786 since the first audit in 1980, the depreciation expense was $36,055 since 1980.

The Starplex Fund operates the Robert F. Kennedy Memorial Stadium and the National Guard Armory. User charges recovered 135.8% of cost (excluding depreciation) in 1990 and 134.1% in 1989.

The Washington Convention Center is located midway between the Capitol and the White House and has 378,000 square feet of exhibit and meeting space on two levels. The Convention Center Fund recovered 41.3% of its cost (excluding depreciation) through user charges in 1990 and 50.1% in 1989.

The lottery is accounted for in the Lottery and Games Fund. The lottery had gross operating revenues of $149,170 in 1990 as compared to $142,644 in 1989, an increase of $6,526 or 4.6%. The percent of pretransfer income to gross operating revenues was 33.0% in 1990 and 37.4% in 1989.

The University Fund includes all activities of the University of the District of Columbia which is a land-grant institution that provides low cost courses leading to certificate, bachelor and advanced degrees in arts, sciences, teacher education and special career education. The university recovered 9.6% of its cost (excluding depreciation) through user charges in 1990 and 9.1% in 1989.

At September 30, 1990, the enterprise funds had combined fund equities of $754,225 segregated into capital contributions from the Federal and District governments of $635,330 and retained earnings of $118,895. The combined net loss of $20,099 in 1990 was 6.0% of operating revenues and 2.7% of fund equity.

### Trust Funds

Trust funds are used to account for property to which the District has legal title in order to administer it for the benefit of others. Expendable trust funds are those whose principal may be expended and are reported on a current financial resources focus. Pension Trust Funds must preserve their principal intact and are reported on an economic resources focus.

The District operates three trust funds as summarized below.

| Fund | Operating Revenues 1990 | Excess/Income Before Transfers 1990 | Excess/Income Before Transfers 1989 | Operating Transfers In (Out) 1990 | Operating Transfers In (Out) 1989 |
|---|---|---|---|---|---|
| Housing Finance | $ 51,939 | 3,063 | (2,299) | 778 | 29 |
| Unemployment Compensation | 89,238 | (541) | (4,068) | — | — |
| Pension | 264,533 | 40,442 | 271,080 | (5,161) | (4,902) |
| Total | $405,710 | 42,964 | 264,713 | (4,383) | (4,873) |

The Housing Finance Fund issues bonds and uses the proceeds to finance residential mortgage, construction and rehabilitation loans. The bonds are not general obligations of the District and are payable solely from defined revenues and assets of the fund. At September 30, 1990, the fund had loans receivable of $230,626, loans payable of $539,182 and a total fund balance of $7,158. Since the Housing Finance Fund was established in 1983, it has received operating transfers and advances from the General Fund of $16,938.

The Unemployment Compensation Fund pays benefits to unemployed former employees of the District and Federal governments and private employers doing business in the District. At September 30, 1990, the fund had a total fund balance of $86,609.

The Pension Trust Funds pay benefits to retired judges, police officers, fire fighters and public school teachers under the District Retirement Program which is a contributory single employer defined benefit pension plan administered by the District. Other employees are covered by the Civil Service or Social Security Retirement Systems administered by the Federal government.

The District Retirement Program was started in 1916 and operated by the Federal government on an unfunded basis. At the beginning of Home Rule in 1975, the unfunded actuarial liability of the program was $1.9 billion. In 1979, Congress enacted the Retirement Reform Act which authorized 25 annual Federal contributions of $52,070 from 1980 through 2004. The present value of these contributions in 1975 was $486,800 or 25.6% of the unfunded actuarial liability at that date.

The District's annual contribution to the Pension Trust Funds mandated by the Retirement Reform Act is primarily on a pay-as-you-go basis through 2004. Beginning in 2005, the District's annual contribution to the Pension Trust Funds will increase to normal cost plus interest on the unfunded actuarial liability.

The unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made by the District in accumulating sufficient assets to pay benefits when due. The smaller the percentage, the stronger the Pension Trust Funds.

The net assets (at market) available for benefits, expressed as a percentage of the total pension benefit obligation, indicates over time whether the program is becoming financially stronger or weaker. The larger the percentage, the stronger the Pension Trust Funds.

Three-year historical trend information was as follows:

| Indicator | 1990 | 1989 | 1988 |
|---|---|---|---|
| Unfunded obligation to covered payroll | 971.3% | 942.9% | 1,121.8% |
| Net assets to total obligation | 28.5 | 30.2 | 27.4 |

## Debt Administration

The following summary presents the outstanding long term debt of the District at September 30, 1990 and 1989. There is no revenue, special assessment or overlapping debt.

| Fund Type or Account Group | 1990 | 1989 |
|---|---|---|
| Enterprise notes | $ 58,650 | 62,135 |
| Enterprise bonds | 241,993 | 237,501 |
| General notes | 559,917 | 589,615 |
| General bonds | 1,929,799 | 1,646,251 |
| Total | $2,790,359 | 2,535,502 |

The percent of debt to assessed value (which equals estimated actual value) and the amount of debt per capita (in dollars) are useful indicators of the District's debt position. These data for the District at September 30, 1990 and 1989 were as follows.

| Indicator | 1990 | 1989 |
|---|---|---|
| Debt to assessed value | 7.2% | 7.2% |
| Debt per capita | $4,575 | 4,198 |

Through 1984, the District issued notes to the Federal government for authorized capital projects. Starting in 1985, the District has issued general obligation bonds to the public to finance capital projects or to refinance old debt. At year end, there were 217 notes and 16 bond issues outstanding. The District has received an A- rating from Standard & Poor's Corporation and a Baa rating from Moody's Investors Service on its general obligation bond issues.

During 1990, the District issued $351,290 of general obligation improving bonds. The proceeds were used for capital projects ($324,526), bond discounts ($3,052), issuance costs ($8,037) and current interest ($15,675). The effective interest rates for the two bond issues were 7.02% and 7.04%.

From 1985 through 1990, the District issued $1,207,914 of general obligation improving bonds. The proceeds were used for capital projects ($1,148,307), bond discounts ($7,155), issuance costs ($26,219) and current interest ($26,233). Additionally, from 1985 through 1990, the District issued $1,446,112 of general obligation refunding bonds. The proceeds, plus cash of $1,096, were used to "call in" notes issued to the Federal government ($1,065,528), to legally defease bonds issued to the public ($284,620) and to pay bond discounts ($14,688), issuance costs ($30,957), current interest ($8,946) and future interest ($42,469).

The Charter limits the issuance of long term general obligation debt to an amount which would not cause future debt service to exceed 14% of current revenues. The District's fiscal policy is to limit current debt service to not more than 9.0% of current revenues as calculated in Exhibit S-11.

During the year, the District issued $250,000 of general obligation tax revenue anticipation notes with interest rates of 5.75% and 6.75%. The principal and interest were paid on September 28, 1990 by the General Fund. From 1984 through 1990, interest and fiscal agent's fees on short term notes were $65,872. The Charter limits the amount of revenue anticipation notes outstanding at any time during a fiscal year to not more than 20% of the anticipated revenue of the District for such fiscal year.

## Cash Management

Cash from all funds is combined unless prohibited by law. Any cash that is not needed for immediate disbursement is invested in obligations which are guaranteed fully by the Federal government. Deposits and repurchase agreements, except for those of the Housing Finance Trust Fund, are collateralized fully with securities which are held by the District or by its agent in the District's name.

The District earned $30,563 on its investments in 1990 and $29,387 in 1989, average yield rates of 8.3% and 9.1%, respectively, exclusive of fiduciary funds.

### Risk Management

The District retains the risk of loss arising out of the ownership of property or from some other cause, except health care and life insurance benefits for employees. Assets are not set aside to finance losses, which are recognized when they occur.

### Independent Audit

District law (D.C. Code 47-119) requires an annual financial audit of the District by independent certified public accountants. The audit must be conducted in accordance with generally accepted auditing standards and the financial statements must be prepared in conformity with generally accepted accounting principles. The District has complied with these requirements and the independent auditors' report is included in the financial section of this report.

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended September 30, 1989. The Certificate of Achievement is the highest form of recognition for excellence in governmental financial reporting.

In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report whose contents conformed to program standards. The report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for the last nine consecutive years. It is believed that the current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements and it is being submitted to the GFOA to determine its eligibility for another certificate.

### Acknowledgements

The preparation of the comprehensive annual financial report within four months after the end of the fiscal year was made possible by the dedicated service of the staff of the Controller's office. We would like to express our appreciation to each member of the staff who contributed to the preparation of this report.

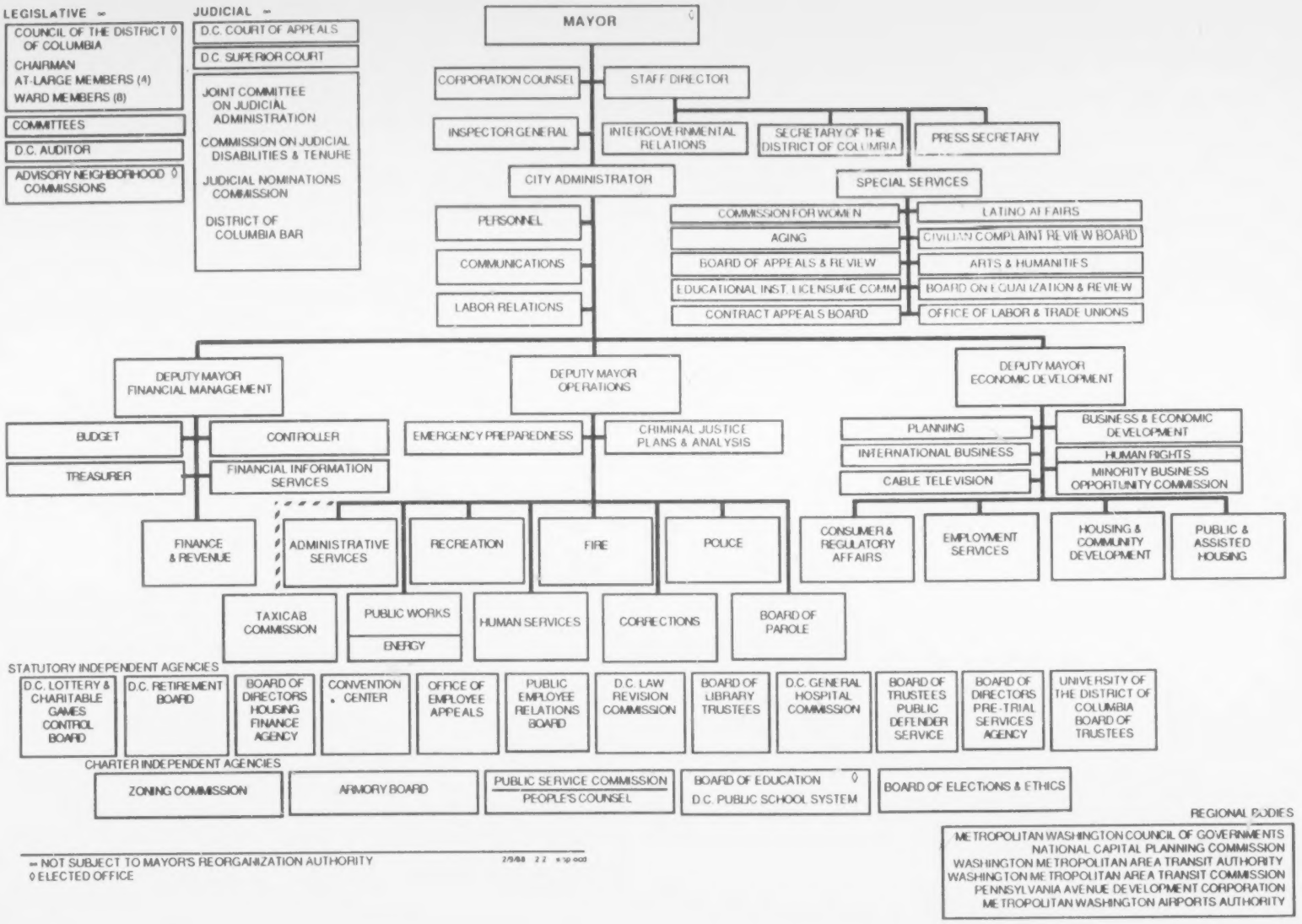
In closing, we would like to thank the Mayor and members of the Council for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

Robert Pohlman
Deputy Mayor for Financial Management

Valerie Holt
Controller (acting)

# ORGANIZATIONAL CHART



## PRINCIPAL OFFICIALS

**January 2, 1991**

| Name | Position | Term Expires |
|---|---|---|
| **Chief Executive Officer** | | |
| Sharon Pratt Dixon | Mayor | 1995 |
| **Council** | | |
| John A. Wilson | Chairman | 1995 |
| Linda W. Cropp | At Large | 1995 |
| William P. Lightfoot, Jr. | At Large | 1993 |
| Hilda H. M. Mason | At Large | 1995 |
| John L. Ray | At Large | 1993 |
| Frank Smith, Jr. | Ward 1 | 1995 |
| [Vacant] | Ward 2 | 1993 |
| James E. Nathanson | Ward 3 | 1995 |
| Charlene Drew Jarvis | Ward 4 | 1993 |
| Harry L. Thomas, Sr. | Ward 5 | 1995 |
| Harold Brazil | Ward 6 | 1995 |
| H. R. Crawford | Ward 7 | 1993 |
| Wilhelmina J. Rolark | Ward 8 | 1993 |
| **Chief Judges** | | |
| Judith W. Rogers | Court of Appeals | 2003 |
| Fred B. Ugast | Superior Court | 2003 |
| **House of Representatives** | | |
| Eleanor Holmes Norton | Delegate | 1993 |
| **Executive Officers** | | |
| John P. Bond, III | City Administrator/Deputy Mayor for Operations (designee) | |
| Robert Pohlman | Deputy Mayor for Financial Management | |
| Brenda H. Tobe | Deputy Mayor for Economic Development (acting) | |
| John Payton | Corporation Counsel (designee) | |
| Mildred W.Goodman | Secretary of the District of Columbia (acting) | |
| Vernon S. Gill | Inspector General | |
| Valerie Holt | Controller (acting) | |
| Richard C. Siegel | Budget Director | |
| Sophia L. Green-Robinson | Treasurer | |
| N. Anthony Calhoun | Finance and Revenue Director (acting) | |
| Edward G. Winner | Financial Information Services Director | |

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## District of Columbia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1989

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

Gary R. Hoistrem
President

Jeffrey L. Esser
Executive Director

# FINANCIAL SECTION

This section contains two subsections: General Purpose Financial Statements and Combining and Individual Fund Statements and Schedules.

# GENERAL PURPOSE FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of the financial position of all fund types and account groups and of the operating results of all fund types.

KPMG Peat Marwick
**Gardiner, Kamya & Co.**
MITCHELL/TITUS & CO.
F.S. TAYLOR & ASSOCIATES, P.C.

Certified Public Accountants
Washington, D.C.

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
of the District of Columbia:

We have audited the general purpose financial statements of the District of Columbia as of and for the year ended September 30, 1990, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the District of Columbia's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1.M., the District of Columbia has proposed a plan to address its 1991 cash needs and to reduce an anticipated deficiency.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District of Columbia at September 30, 1990, and the results of its operations and the cash flows of its enterprise funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District of Columbia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In fiscal year 1990, the District of Columbia adopted Statement No. 9 of the Governmental Accounting Standards Board which requires the presentation of a statement of cash flows and certain other disclosures.

KPMG Peat Marwick
Gardiner, Kamya & Co.
Mitchell/Titus & Co.
F. S. Taylor & Associates, P.C.

January 24, 1991

Exhibit 1

## ALL FUND TYPES AND ACCOUNT GROUPS

## COMBINED BALANCE SHEET

### September 30, 1990
### With Comparative Totals for September 30, 1989
### ($000s)

| | Governmental Fund Types | | Proprietary Fund Types | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|---|---|---|
| | General | Capital Projects | Enterprise (Note 8) | Trust and Agency (Note 9) | General Fixed Assets | General Long Term Liabilities | 1990 | 1989 |
| **ASSETS** | | | | | | | | |
| **Current Assets:** | | | | | | | | |
| Cash and investments (note 2) | $109,710 | 199,316 | 144,003 | — | — | — | 453,029 | 298,671 |
| Receivables (net of allowances for uncollectibles): | | | | | | | | |
| Taxes | 191,787 | — | — | — | — | — | 191,787 | 201,710 |
| Accounts | 39,493 | — | 77,559 | — | — | — | 117,052 | 112,856 |
| Intergovernmental | 133,222 | 38,127 | 8,607 | — | — | — | 179,956 | 167,148 |
| Interfund (note 3) | 9,658 | — | — | — | — | — | 9,658 | — |
| Inventories | 27,744 | — | 11,353 | — | — | — | 39,097 | 38,600 |
| Other current assets | — | — | 3,908 | — | — | — | 3,908 | 4,022 |
| Total current assets | 511,614 | 237,443 | 245,430 | — | — | — | 994,487 | 823,007 |
| **Long Term Assets:** | | | | | | | | |
| Receivables: | | | | | | | | |
| Accounts | 5,585 | — | — | — | — | — | 5,585 | 5,585 |
| Loans | 39,393 | — | — | — | — | — | 39,393 | 36,225 |
| Intergovernmental | — | — | 14,210 | — | — | — | 14,210 | 12,659 |
| Interfund (note 3) | 8,954 | — | — | — | — | — | 8,954 | 8,041 |
| Deferred charges | — | — | 4,165 | — | — | — | 4,165 | 4,154 |
| Total long term assets | 53,932 | — | 18,375 | — | — | — | 72,307 | 66,664 |
| **Fixed Assets (Note 5):** | | | | | | | | |
| Property and equipment | — | — | 1,307,572 | — | 4,283,962 | — | 5,591,534 | 5,222,011 |
| Less - accumulated depreciation | — | — | 371,627 | — | 1,499,568 | — | 1,871,195 | 1,734,415 |
| Net fixed assets | — | — | 935,945 | — | 2,784,394 | — | 3,720,339 | 3,487,596 |
| **Restricted Assets:** | | | | | | | | |
| Cash and investments (note 2) | — | — | — | 2,121,738 | — | — | 2,121,738 | 1,832,130 |
| Receivables: | | | | | | | | |
| Accounts | — | — | — | 25,646 | — | — | 25,646 | 25,978 |
| Loans | — | — | — | 230,626 | — | — | 230,626 | 219,415 |
| Intergovernmental | — | — | — | 487,477 | — | — | 487,477 | 507,610 |
| Interfund (note 3) | — | — | — | 2,820 | — | — | 2,820 | 20,073 |
| Prepaid charges | — | — | — | 7,209 | — | — | 7,209 | 7,083 |
| Other restricted assets | — | — | — | 7,525 | — | — | 7,525 | 3,442 |
| Total restricted assets | — | — | — | 2,883,041 | — | — | 2,883,041 | 2,615,731 |
| **Other Debits:** | | | | | | | | |
| Resources to be provided | — | — | — | — | — | 5,455,544 | 5,455,544 | 4,964,755 |
| **Total assets** | **$565,546** | **237,443** | **1,199,750** | **2,883,041** | **2,784,394** | **5,455,544** | **13,125,718** | **11,957,753** |

The accompanying notes are an integral part of this statement.

| | Governmental Fund Types | | Proprietary Fund Types | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|---|---|---|
| | General | Capital Projects | Enterprise (Note 8) | Trust and Agency (Note 9) | General Fixed Assets | General Long Term Liabilities | 1990 | 1989 |
| **LIABILITIES AND EQUITY** | | | | | | | | |
| **Current Liabilities:** | | | | | | | | |
| Payables: | | | | | | | | |
| Accounts | $230,285 | 56,697 | 40,004 | — | — | — | 326,986 | 205,534 |
| Compensation | 148,764 | — | 26,207 | — | — | — | 174,971 | 167,076 |
| Intergovernmental | 37,302 | — | 3,694 | — | — | — | 40,996 | 43,034 |
| Interfund (note 3) | 2,820 | — | 9,658 | — | — | — | 12,478 | 20,073 |
| Accrued liabilities | 158,294 | — | 13,805 | — | — | — | 172,099 | 148,472 |
| Deferred revenue | 306,741 | 29,088 | 15,744 | — | — | — | 351,573 | 302,626 |
| Current maturities (note 6) | — | — | 12,215 | — | — | — | 12,215 | 11,510 |
| Other current liabilities | 12,929 | — | 7,354 | — | — | — | 20,283 | 19,032 |
| Total current liabilities | 897,135 | 85,785 | 128,681 | — | — | — | 1,111,601 | 917,357 |
| **Long Term Liabilities (Note 6):** | | | | | | | | |
| Long term debt: | | | | | | | | |
| Intergovernmental notes payable | — | — | 55,155 | — | — | 559,917 | 615,072 | 648,265 |
| General obligation bonds payable | — | — | 233,273 | — | — | 1,929,799 | 2,163,072 | 1,875,727 |
| Other long term liabilities | — | — | 28,416 | — | — | 2,965,828 | 2,994,244 | 2,759,579 |
| Total long term liabilities | — | — | 316,844 | — | — | 5,455,544 | 5,772,388 | 5,283,571 |
| **Liabilities Payable from Restricted Assets:** | | | | | | | | |
| Payables: | | | | | | | | |
| Accounts | — | — | — | 109,982 | — | — | 109,982 | 29,337 |
| Loans | — | — | — | 539,182 | — | — | 539,182 | 408,553 |
| Interfund (note 3) | — | — | — | 8,954 | — | — | 8,954 | 8,041 |
| Deferred revenue | — | — | — | 4,574 | — | — | 4,574 | 4,287 |
| Other restricted liabilities | — | — | — | 153,075 | — | — | 153,075 | 136,820 |
| Total restricted liabilities | — | — | — | 815,767 | — | — | 815,767 | 587,038 |
| **Total liabilities** | 897,135 | 85,785 | 445,525 | 815,767 | — | 5,455,544 | 7,699,756 | 6,787,966 |
| **Equity:** | | | | | | | | |
| Other credits: | | | | | | | | |
| Resources invested (note 5) | — | — | — | — | 2,784,394 | — | 2,784,394 | 2,578,656 |
| Contributed capital (note 5) | — | — | 635,330 | — | — | — | 635,330 | 608,452 |
| Retained earnings | — | — | 118,895 | — | — | — | 118,895 | 130,800 |
| Fund balances: | | | | | | | | |
| Reserved for: | | | | | | | | |
| Long term assets | 53,932 | — | — | — | — | — | 53,932 | 49,851 |
| Encumbrances | — | 151,658 | — | — | — | — | 151,658 | 36,589 |
| Net restricted assets | — | — | — | 2,067,274 | — | — | 2,067,274 | 2,028,693 |
| Unreserved (deficit) | (385,521) | — | — | — | — | — | (385,521) | (263,254) |
| **Total equity** | (331,589) | 151,658 | 754,225 | 2,067,274 | 2,784,394 | — | 5,425,962 | 5,169,787 |
| **Total liabilities and equity** | $565,546 | 237,443 | 1,199,750 | 2,883,041 | 2,784,394 | 5,455,544 | 13,125,718 | 11,957,753 |

**Exhibit 2**

## ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**Year Ended September 30, 1990**
**With Comparative Totals for Year Ended September 30, 1989**
**($000s)**

| | Governmental Fund Types | | Fiduciary Fund Type | Totals (Memorandum Only) | |
|---|---|---|---|---|---|
| | General | Capital Projects | Expendable Trust | 1990 | 1989 |
| **Revenues:** | | | | | |
| Taxes | $2,279,127 | — | — | 2,279,127 | 2,204,598 |
| Licenses and permits | 32,285 | — | — | 32,285 | 33,069 |
| Fines and forfeits | 48,542 | — | — | 48,542 | 45,511 |
| Charges for services | 139,554 | — | — | 139,554 | 125,756 |
| Benefit contributions | — | — | 89,238 | 89,238 | 78,009 |
| Miscellaneous | 98,431 | — | 51,939 | 150,370 | 138,876 |
| Intergovernmental (note 10) | 1,082,323 | 92,750 | — | 1,175,073 | 1,059,768 |
| Total revenues | 3,680,262 | 92,750 | 141,177 | 3,914,189 | 3,685,587 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| Governmental direction and support | 153,766 | — | — | 153,766 | 147,014 |
| Economic development and regulation | 275,225 | — | 48,876 | 324,101 | 306,654 |
| Public safety and justice | 1,040,924 | — | — | 1,040,924 | 928,983 |
| Public education system | 713,372 | — | — | 713,372 | 658,857 |
| Human support services | 1,212,370 | — | 89,779 | 1,302,149 | 1,179,108 |
| Public works | 287,094 | — | — | 287,094 | 270,089 |
| Employee benefits addition (deduction) | (234,595) | — | — | (234,595) | (169,653) |
| Capital outlay | — | 329,599 | — | 329,599 | 248,219 |
| Debt service: | | | | | |
| Principal | 84,922 | — | — | 84,922 | 71,743 |
| Interest and fiscal charges | 169,928 | — | — | 169,928 | 157,105 |
| Total expenditures | 3,703,006 | 329,599 | 138,655 | 4,171,260 | 3,798,119 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (22,744) | (236,849) | 2,522 | (257,071) | (112,532) |
| **Other Financing Sources (Uses):** | | | | | |
| Proceeds (payment) of: | | | | | |
| General obligation bonds | — | 338,772 | — | 338,772 | 358,045 |
| Refunded debt | — | — | — | — | (166,524) |
| Refunding charges | — | — | — | — | (29,312) |
| Operating transfers: | | | | | |
| Transfers in | 54,036 | 13,146 | 778 | 67,960 | 64,744 |
| Transfers out | (149,478) | — | — | (149,478) | (133,179) |
| Total other financing sources (uses) | (95,442) | 351,918 | 778 | 257,254 | 93,774 |
| **EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES** | **(118,186)** | **115,069** | **3,300** | **183** | **(18,758)** |
| **Fund Balances (Deficit) at October 1** | **(213,403)** | **36,589** | **90,467** | **(86,347)** | **(67,589)** |
| **Fund Balances (Deficit) at September 30** | **$ (331,589)** | **151,658** | **93,767** | **(86,164)** | **(86,347)** |

The accompanying notes are an integral part of this statement.

Exhibit 3

## GENERAL FUND

## STATEMENT OF REVENUES, EXPENDITURES AND RECONCILIATION OF BUDGETARY BASIS WITH GAAP BASIS

### Year Ended September 30, 1990
### ($000s)

| | Appropriated Budget | Appropriated Actual | Variance-Favorable (Unfavorable) | Nonappropriated Actual |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Taxes | $2,361,780 | 2,279,127 | (82,653) | — |
| Licenses and permits | 34,807 | 32,285 | (2,522) | — |
| Fines and forfeits | 48,911 | 48,542 | (369) | — |
| Charges for services | 53,765 | 49,736 | (4,029) | 89,818 |
| Miscellaneous | 26,386 | 40,990 | 14,604 | 57,441 |
| Intergovernmental | 477,272 | 506,966 | 29,694 | 575,357 |
| Total revenues | 3,002,921 | 2,957,646 | (45,275) | 722,616 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Governmental direction and support | 126,935 | 126,391 | 544 | 27,375 |
| Economic development and regulation | 126,838 | 119,264 | 7,574 | 155,961 |
| Public safety and justice | 865,410 | 869,342 | (3,932) | 171,582 |
| Public education system | 609,172 | 608,732 | 440 | 104,640 |
| Human support services | 772,464 | 780,782 | (8,318) | 431,588 |
| Public works | 214,917 | 210,261 | 4,656 | 76,833 |
| Unallocated addition (rescission) | (23,609) | — | (23,609) | — |
| Employee benefits addition (deduction) | — | — | — | (234,595) |
| Debt service: | | | | |
| Principal | 84,922 | 84,922 | — | — |
| Interest and fiscal charges | 154,216 | 155,868 | (1,652) | 14,060 |
| Total expenditures | 2,931,265 | 2,955,562 | (24,297) | 747,444 |
| EXCESS OF REVENUES OVER EXPENDITURES | 71,656 | 2,084 | (69,572) | (24,828) |
| **Other Financing Sources (Uses):** | | | | |
| Property sales | 28,800 | — | (28,800) | — |
| Operating transfers: | | | | |
| Transfers in | 57,900 | 48,875 | (9,025) | 5,161 |
| Transfers out | (138,356) | (137,244) | 1,112 | (12,234) |
| Total other financing sources (uses) | (51,656) | (88,369) | (36,713) | (7,073) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES (BUDGETARY BASIS) | 20,000 | (86,285) | (106,285) | (31,901) |
| To adjust for nonappropriated actual | — | (31,901) | (31,901) | 31,901 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES (GAAP BASIS)** | **$ 20,000** | **(118,186)** | **(138,186)** | **—** |

The accompanying notes are an integral part of this statement.

Exhibit 4

## ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUNDS

## COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES

### Year Ended September 30, 1990
### With Comparative Totals for Year Ended September 30, 1989
### ($000s)

| | Proprietary Fund Types | Fiduciary Fund Type | Totals (Memorandum Only) | |
|---|---|---|---|---|
| | Enterprise (Note 8) | Pension Trust | 1990 | 1989 |
| **Operating Revenues:** | | | | |
| Charges for services | $333,118 | — | 333,118 | 354,191 |
| Benefit contributions | — | 257,270 | 257,270 | 229,149 |
| Miscellaneous | — | 7,263 | 7,263 | 249,241 |
| Total operating revenues | 333,118 | 264,533 | 597,651 | 832,581 |
| **Operating Expenses:** | | | | |
| Personal services | 225,213 | — | 225,213 | 213,189 |
| Contractual services | 87,161 | — | 87,161 | 78,324 |
| Supplies | 28,259 | — | 28,259 | 28,921 |
| Occupancy | 31,225 | — | 31,225 | 27,820 |
| Depreciation | 32,052 | — | 32,052 | 30,003 |
| Benefit payments | — | 224,091 | 224,091 | 207,310 |
| Miscellaneous | 31,424 | — | 31,424 | 34,560 |
| Total operating expenses | 435,334 | 224,091 | 659,425 | 620,127 |
| OPERATING INCOME (LOSS) | (102,216) | 40,442 | (61,774) | 212,454 |
| **Nonoperating Revenues (Expenses):** | | | | |
| Intergovernmental (note 10) | 6,197 | — | 6,197 | 4,660 |
| Interest and fiscal charges | (17,699) | — | (17,699) | (15,539) |
| Refunding charges | — | — | — | (3,401) |
| Miscellaneous | 6,940 | — | 6,940 | 6,055 |
| Total nonoperating revenues (expenses) | (4,562) | — | (4,562) | (8,225) |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | (106,778) | 40,442 | (66,336) | 204,229 |
| **Operating Transfers:** | | | | |
| Transfers in | 135,554 | — | 135,554 | 127,337 |
| Transfers out | (48,875) | (5,161) | (54,036) | (58,902) |
| Total operating transfers | 86,679 | (5,161) | 81,518 | 68,435 |
| **NET INCOME (LOSS)** | **(20,099)** | **35,281** | **15,182** | **272,664** |
| Depreciation closed to Contributed Capital | 8,194 | — | 8,194 | 7,675 |
| **INCREASE (DECREASE) IN RETAINED EARNINGS/FUND BALANCES** | **(11,905)** | **35,281** | **23,376** | **280,339** |
| **Retained Earnings/Fund Balances at October 1** | **130,800** | **1,938,226** | **2,069,026** | **1,788,687** |
| **Retained Earnings/Fund Balances at September 30** | **$118,895** | **1,973,507** | **2,092,402** | **2,069,026** |

The accompanying notes are an integral part of this statement.

Exhibit 5

## ENTERPRISE FUNDS

## COMBINED STATEMENT OF CASH FLOWS

### Years Ended September 30, 1990 and 1989
($000s)

| | 1990 | 1989 |
|---|---|---|
| **Operating Activities:** | | |
| Cash receipts from customers | $ 411,562 | 402,567 |
| Other cash receipts | 24,268 | 14,098 |
| Cash payments to vendors | (158,864) | (232,728) |
| Cash payments to employees | (225,734) | (208,895) |
| Other cash payments | (93,599) | (11,188) |
| Net cash provided (used) | (42,367) | (36,146) |
| **Capital and Related Financing Activities:** | | |
| Acquisitions of fixed assets | (39,606) | (47,939) |
| Proceeds of long term liabilities | 12,518 | 32,567 |
| Payments of long term liabilities | (13,133) | (32,502) |
| Payments of interest and charges | (22,625) | (32,922) |
| Contributions of capital | 13,609 | 17,283 |
| Collections of long term receivables | (1,551) | 4,922 |
| Net cash provided (used) | (50,788) | (58,591) |
| **Noncapital Financing Activities:** | | |
| Operating grant receipts | 12,043 | 10,380 |
| Operating transfers in | 144,154 | 127,337 |
| Operating transfers out | (57,475) | (54,000) |
| Net cash provided (used) | 98,722 | 83,717 |
| **Investing Activities:** | | |
| Receipts of interest and dividends | 3,265 | 4,718 |
| Net cash provided (used) | 3,265 | 4,718 |
| **INCREASE (DECREASE) IN CASH** | **8,832** | **(6,302)** |
| **Cash and Investments at October 1** | **135,171** | **141,473** |
| **Cash and Investments at September 30** | **$ 144,003** | **135,171** |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities:** | | |
| Operating income (loss) | $ (102,216) | (58,626) |
| Depreciation | 32,052 | 30,003 |
| Loss on dispositions of fixed assets | 613 | 427 |
| Decrease (increase) in assets: | | |
| Receivables | 6,586 | (10,960) |
| Allowance for uncollectibles | (815) | 5,943 |
| Inventories | 915 | 2,118 |
| Other current assets | 114 | (311) |
| Increase (decrease) in liabilities: | | |
| Payables | 11,789 | 682 |
| Accrued liabilities | 1,398 | 703 |
| Deferred revenue | 7,575 | (6,936) |
| Other current liabilities | (378) | 811 |
| Net cash provided (used) | $ (42,367) | (36,146) |
| Noncash contributions of capital | $ 20,067 | 9,042 |

The accompanying notes are an integral part of this statement.

## NOTES TO THE FINANCIAL STATEMENTS

**September 30, 1990**

**(amounts expressed in thousands)**

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District of Columbia (District) have been prepared in conformity with generally accepted accounting principles. The more significant of the District's accounting policies are described below.

### A. REPORTING ENTITY

Article I, section 8, clause 17 of the United States Constitution adopted September 17, 1787 states, "The Congress shall have the power. . . to exercise exclusive legislation in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the government of the United States. . ." The District of Columbia was created March 30, 1791 and became the nation's capital December 1, 1800. Congress granted the District a Charter which went into effect on January 2, 1975 (the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973). The District is a municipal corporation which operates under an elected Mayor-Council form of government. An act of the Council, other than a budget request act, becomes a law unless it is disapproved by Congress and the President after it is adopted. Citizens of the District have the right to vote for President and Vice President of the United States but not for members of Congress. The District has an elected nonvoting delegate to the United States House of Representatives. The judges of the District courts are appointed by the President with the advice and consent of the Senate. Felonies committed in the District are prosecuted by the United States Attorney and court orders are carried out by the United States Marshall.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic—but not the only—criterion for including a potential component unit within the reporting entity is the Council's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, the District's reporting entity includes the water and sewer utility, the general hospital, the stadium and armory complex (Starplex), the convention center, the lottery, the university, housing finance agency and the retirement program. Each of the foregoing potential component units is included within the reporting entity for one or more of the following reasons: the District's elected officials select the governing authority; the District is responsible for financing deficits, is entitled to surpluses, holds title to assets, has the right to require audits, or is liable for general obligation debt; the Council has the authority to approve budgets; or the unit provides services to residents within the geographic boundaries of the District.

The reporting entity excludes the District of Columbia Economic Development Finance Corporation because the appointed board members have no continuing relationship with the District; the board designates the management and has sole budgetary authority; the District cannot significantly influence the corporation's operations and is not legally or morally obligated for the corporation's debt; and the corporation controls surpluses and deficits and is responsible for fiscal management and project selection.

The reporting entity excludes also the Washington Metropolitan Area Transit Authority which is a joint venture established by interstate compact in 1967. The Authority's governing board, appointed jointly by Maryland, Virginia and the District, selects management staff, sets user charges, establishes budgets and controls all aspects of regional mass transit management and development. The District provides operating, debt service and capital grants to the Authority.

## B. BASIS OF PRESENTATION

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in governmental funds because they are not current financial resources and liabilities.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all of the District's general activities. The General Fund is used to account for all activities of the general government not accounted for in some other fund, including the collection and disbursement of earmarked monies and the servicing of general long term debt. The Capital Projects Fund is used to account for the acquisition or construction of fixed assets financed, in whole or in part, through capital grants or general long term debt, other than those financed by the Water and Sewer Enterprise Fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds provide goods or services from such activities to outside parties.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a pension trust fund or an expendable trust fund is used. The term "expendable" refers to the fact that the District is not under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent.

## C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (that is, when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year end. A one year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal on general long term debt is recorded as a fund liability when due. Interest on general long term debt is recorded as a fund liability when the amount has been incurred through the passage of time.

Those revenues susceptible to accrual are property taxes, sales and use taxes, income and franchise taxes, gross receipts taxes and interest revenue. Property taxes are recognized as revenue in the tax year for which they are levied, provided they are available. Sales and use taxes are recognized as revenue when the sales or use take place. Income, franchise and gross receipts taxes are recognized as revenue when the income is earned by the taxpayer. Interest is recognized as revenue through the passage of time.

Licenses and permits, fines and forfeits, charges for services, and other taxes are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The District reports deferred revenue in the accompanying balance sheet. Deferred revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The property tax year is from July 1 to June 30. Real property taxes are levied as of July 1 on property values assessed as of the preceding January 1. The tax levy is due and collectible in two equal installments on September 15 and March 31. On these dates, the bill becomes delinquent and penalties and interest may be assessed by the District. Real property taxes attach as an enforceable lien on property as of July 1 of the year after levy. One-half of the real property taxes due on September 15 is recognized as revenue in the current period and one-half is deferred and recognized as revenue in the following period.

**D. BASIS OF BUDGETING**

An annual appropriated budget is adopted for the General Fund on a basis not consistent with generally accepted accounting principles (GAAP) because expenditures financed by interfund charges for services, private gifts and intergovernmental grants are excluded from the appropriation. All annual appropriations lapse at year end. A project-length financial plan is adopted for the Capital Projects Fund.

About February 1 of each year, the Mayor submits to the Council a proposed budget for the fiscal year commencing the following October 1. The Council holds public hearings and adopts a budget through passage of a budget request act. The Council may not adopt any budget in which expenditures and other financing uses exceed revenues and other financing sources.

About April 1 of each year, the Mayor approves the adopted budget and forwards it to the President of the United States for review. The Mayor may not forward any budget which is not balanced.

About April 15 of each year, the President submits the reviewed budget to Congress which conducts public hearings and enacts the budget and the authorized Federal payment in lieu of taxes through passage of an appropriation law.

Any revision that alters the total expenditures of any function must be approved by Congress. The appropriated budget amounts in the budgetary statement (Exhibit 3) include a supplemental appropriation law enacted by Congress for the fiscal year. Appropriated actual expenditures and uses may not legally exceed appropriated budget expenditures and uses at the function level. An unfavorable variance in the budgetary statement for an expenditure or other financing use is a violation of the Anti-Deficiency Act (31 U.S.C. 1341).

Appropriated budget amounts may not be transferred between organizational units or between object categories within the same organizational unit except in accordance with the Reprogramming Policy Act (D.C. Code 47-361). The appropriated budget amounts in the budgetary statement include all reprogrammings approved during the fiscal year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Purchase orders and contracts are recorded to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances lapse at year end in the General Fund but not in the Capital Projects Fund. Encumbrances outstanding at year end in the Capital Projects Fund do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. The fund balance is "reserved for encumbrances" to indicate the portion that is available for expenditure upon vendor performance.

**E. CASH AND INVESTMENTS**

Cash from all funds is combined unless prohibited by law. The cash management pool is considered to be cash because it is used as a demand deposit account by each fund.

Any cash which is not needed for immediate disbursement is used to purchase investments. The law (D.C. Code 47-341) authorizes the District to invest directly or through repurchase agreements in obligations of the United States or its agencies which are backed by the full faith and credit of the Federal government. Such investments are considered to be the equivalents of cash because they are readily convertible into cash and may be held for not more than 91 days after purchase. Pension trust funds may invest in fixed income or equity securities and other types of investments.

Investments are stated at the lower of cost or market value, except for investments in the Pension Trust Funds and the Deferred Compensation Agency Fund, which are stated at market value.

### F. INTERFUND RECEIVABLES AND PAYABLES

Quasi-external transactions are interfund events or conditions that would be treated as revenues and expenditures/expenses if they involved organizations external to the District. They are accounted for as revenues and expenditures/expenses in the funds involved.

Reimbursements are payments to a fund for expenditures/expenses initially made from it that are properly applicable to another fund. They are recorded as expenditures/expenses in the paying fund and as reductions of expenditures/expenses in the receiving fund.

Operating transfers are legally authorized conveyances from a fund receiving revenues to the fund through which the revenues are to be spent.

Loans by a fund to another fund are not expenditures/expenses to the paying fund and are not revenues to the receiving fund.

Amounts which are due from/to other funds within one year are classified as current Interfund Receivables/Payables on the balance sheet. Amounts which are due from/to other funds after one year are classified as long term Interfund Receivables/Payables. The fund balance is "reserved for long term assets" to indicate the portion that is not available for expenditure within one year.

### G. INVENTORIES

Inventories of supplies on hand at year end are stated at the lower of cost (using the first-in, first-out method) or market value. Supplies are recorded as expenditures/expenses when they are consumed or sold and not when they are purchased.

### H. PREPAID AND DEFERRED CHARGES

Payments in advance of the receipt of services are capitalized as prepaid charges at the time of prepayment and recognized as expenditures/expenses when the related services are received.

In the General Fund, bond discounts and issuance costs are recognized in the current period as interest and fiscal charges, respectively. In the Water and Sewer Enterprise Fund, bond discounts and issuance costs are capitalized as deferred charges and amortized as fiscal charges over the term of the bonds.

### I. FIXED ASSETS

General fixed assets are not capitalized in the General Fund or the Capital Projects Fund. Instead, capital outlays are reflected as expenditures in those funds and the related assets are reported in the General Fixed Assets Account Group. Proprietary fixed assets are capitalized in the funds which utilize the assets. All purchased fixed assets are stated at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are stated at their estimated fair market value on the date received.

The costs of maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Betterments are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Public domain (infrastructure) improvements, such as bridges, curbs, gutters, lights, sidewalks, streets, and similar assets, that are immovable and of value only to the District, are capitalized.

Depreciation of general fixed assets is accumulated in the General Fixed Assets Account Group and no expenditure is reported for this amount in the General Fund. Depreciation of proprietary fixed assets is reported as an operating expense in the funds which utilize the assets. Depreciation on proprietary fixed assets acquired through capital grants or by the university is closed to Contributed Capital and reported in the operating statements as an adjustment of net income (loss).

Depreciation is computed using the straight line method over the useful lives of the fixed assets which are estimated as follows.

| | |
|---|---|
| Improvements | 30 years |
| Utility plant | 60 years |
| Buildings | 30-50 years |
| Equipment | 3-15 years |
| Transit system investment | 33 years |

Interest is capitalized on Water and Sewer Enterprise Fund assets constructed with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

### J. RESTRICTED ASSETS AND LIABILITIES

All assets of fiduciary funds are restricted as to use by legal or contractual requirements. The accompanying balance sheet segregates restricted assets, and liabilities which are payable from restricted assets, from assets which are unrestricted and therefore are available for general purposes. Any excess of restricted assets over liabilities payable from restricted assets is reported as "reserved for net restricted assets" to indicate the portion of the fund balance that is available for trust purposes only.

### K. COMPENSATED ABSENCES

Accumulated annual (vacation) leave of governmental funds that is expected to be liquidated with current financial resources is reported as an expenditure and liability of the General Fund. Accumulated annual leave that is not expected to be liquidated with current financial resources is reported in the General Long Term Liabilities Account Group. Accumulated annual leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Unused sick leave is credited at the rate of 22 days equal one month of service at the time of retirement and is added to years of service in the Civil Service Retirement System and in the District Retirement Program.

### L. LONG TERM LIABILITIES

Long term debt payable by the General Fund is recognized as a fund liability when due. For other general long term liabilities, only that portion expected to be financed from current financial resources is reported as a liability of the General Fund. The remaining portion of such debt and liabilities is reported in the General Long Term Liabilities Account Group and no expenditure for this amount is reported in the General Fund. Long term liabilities expected to be financed from proprietary or fiduciary fund operations are accounted for in those funds.

The District has issued private activity bonds whose principal and interest are payable solely from defined revenues of private entities. The amount of these no-commitment bonds is not included in the accompanying financial statements.

Capital appreciation bonds are issued with a stated interest rate of zero percent. The interest is not paid until the bonds mature. To provide full disclosure, the interest is accreted over the lives of the bonds in the General Long Term Liabilities Account Group.

Under the District of Columbia Self-Government and Governmental Reorganization Act, no long term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long term general obligation debt to exceed 14% of the revenues of the fiscal year in which the debt is issued.

### M. PROJECTED CASH POSITION AND RESULTS OF OPERATIONS

The District may encounter a significant cash shortfall in 1991. The District has proposed a plan to address its cash needs and to substantially reduce a projected General Fund deficiency for 1991. The plan includes submitting a revised budget with $130 million in spending reductions to the Council in March, 1991; seeking deferral of pay raises of $63 million until 1992; and requesting Congress to increase its 1991 Federal payment by $100 million. As cash needs arise, the District may issue additional short term notes or obtain United States Treasury advances. Such advances are authorized by Federal law (D.C. Code 47-3401) and were provided by the United States Treasury from 1939 through 1983.

### N. TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation because interfund eliminations and other appropriate consolidating entries have not been made in the aggregation of these data.

### O. COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompanying financial statements, except in the budgetary statement, in order to provide an understanding of changes in the District's financial position and operations. However, prior year totals by fund type have not been presented because their inclusion would make the statements unduly complex and difficult to understand.

## NOTE 2. CASH AND INVESTMENTS

### A. CASH

At year end, the carrying amount of the District's deposits was $61,381 and the bank balance was $128,891. As required by law, the bank balance was entirely insured or collateralized with securities held by the District or by its agent in the District's name.

### B. INVESTMENTS

At year end, the carrying amount of the District's investments (including repurchase agreements) was $2,513,386 and the market value was $2,323,732. The carrying amount of $2,261,386 was entirely insured or registered, or the securities were held by the District or by its agent in the District's name; and the carrying amount of $252,000, related to the Housing Finance Trust Fund, was uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.

## NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances for each individual fund at September 30, 1990 follow.

| Fund | Receivables | | Payables | |
|---|---|---|---|---|
| | Current | Long Term | Current | Long Term |
| **Governmental:** | | | | |
| General | $ 9,658 | 8,954 | 2,820 | — |
| **Enterprise:** | | | | |
| General hospital | — | — | 9,658 | — |
| **Trust:** | | | | |
| Unemployment compensation | 1,302 | — | — | — |
| Housing finance | — | — | — | 8,954 |
| Pension | 1,518 | — | — | — |
| **Total** | **$12,478** | **8,954** | **12,478** | **8,954** |

General Fund charges for services to other funds were $43,338. The long term advances provide for repayment within 15 years from the Housing Finance Fund's excess of revenues over expenditures to the extent it is available outside of the lien of the bond indenture (Note 9).

## NOTE 4. JOINT VENTURE

### A. GENERAL INFORMATION

The Washington Metropolitan Area Transit Authority is a tax exempt joint venture created in 1967 by compact among Maryland, Virginia and the District pursuant to the "Capital Transportation Act." The Authority is responsible for the construction, financing and operation of mass transit facilities, consisting of a 103 mile, 87 station rapid rail and a 400 route bus transit system, in the counties of Montgomery and Prince George's in Maryland, the counties of Arlington and Fairfax and the cities of Alexandria, Fairfax and Falls Church in Virginia, and the District.

The Authority is a body corporate and politic which is governed by a board consisting of six directors, two each representing Maryland, Virginia and the District. The District's directors are appointed by the Council. The Authority does not have any stockholders, has no taxing power and is not subject to regulatory approval of its fare schedules.

The Authority's operating budget is adopted by the board after each participant has appropriated its share of the required operating and debt service grants for the coming fiscal year. The grants are recorded by the District as current expenditures in the General Fund.

Capital funds are provided through multiyear interim capital grant agreements that specify the amount due from each participant. Federal capital grants are contingent upon matching grants from the participants of 15% to 25%. The grants are recorded by the District as capital outlays in the Capital Projects Fund and accounted for in the General Fixed Assets Account Group as described in Note 5.

The participants are required to provide a stable and reliable source of revenues to finance the grant payments to the Authority. The revenues allocated by the District to the Authority are sales taxes on motor fuel, parking fees, hotel rooms and restaurant meals; traffic fines; and Federal grants for operating expenses of the Authority.

The District pays the Authority for taking public school students to and from schools or school-related activities by bus or rail. The payments are recorded by the District as current expenditures in the General Fund.

## B. FINANCIAL INFORMATION

A summary balance sheet of the Authority at June 30, 1990 and 1989 follows.

| | 1990 | 1989 |
|---|---|---|
| Current assets | $ 452,948 | 470,254 |
| Fixed assets, net | 5,778,400 | 5,541,322 |
| **Total assets** | **$6,231,348** | **6,011,576** |
| Current liabilities | $ 460,862 | 455,023 |
| Long term liabilities | 993,752 | 993,736 |
| **Total liabilities** | **1,454,614** | **1,448,759** |
| Fund equity | 4,776,734 | 4,562,817 |
| **Total liabilities and fund equity** | **$6,231,348** | **6,011,576** |

A summary operating statement of the Authority for the years ended June 30, 1990 and 1989 follows.

| | 1990 | 1989 |
|---|---|---|
| Operating revenues | $ 283,598 | 262,327 |
| Operating expenses: | | |
| Depreciation | 136,142 | 135,481 |
| All other | 518,201 | 511,022 |
| **Total operating expenses** | **654,343** | **646,503** |
| OPERATING INCOME (LOSS) | (370,745) | (384,176) |
| Nonoperating revenues | 234,603 | 251,066 |
| **NET INCOME (LOSS)** | **(136,142)** | **(133,110)** |
| Fund equity at July 1 | 4,562,817 | 4,396,405 |
| Capital grants earned | 350,059 | 299,522 |
| **Fund equity at June 30** | **$4,776,734** | **4,562,817** |
| **District expenditures:** | | |
| Operating grants | $ 105,519 | 94,785 |
| Debt service grants | 9,755 | 10,331 |
| Capital grants | 4,848 | 4,436 |
| **Total** | **$ 120,122** | **109,552** |

## C. DEBT STRUCTURE

The debt of the Authority does not constitute debt of the District. The Authority issued the following bonds guaranteed by the Federal government.

| Series | Issue Date | Due Date | Rate | Principal | Discount | Net |
|---|---|---|---|---|---|---|
| A | 10/1/72 | 7/1/12 | 7.30% | $225,000 | 1,035 | 223,965 |
| B | 1/1/73 | 7/1/12 | 7.35 | 220,000 | 543 | 219,457 |
| C | 7/1/73 | 7/1/13 | 7.75 | 150,000 | 354 | 149,646 |
| D | 4/1/74 | 7/1/14 | 8.15 | 225,000 | 1,316 | 223,684 |
| E | 1/1/75 | 7/1/14 | 8.35 | 177,000 | — | 177,000 |
| **Total** | | | | **$997,000** | **3,248** | **993,752** |

The payment of debt principal and interest is shared on the basis of two-thirds by the Federal government and one-third by the Authority. The payment of the Authority's share of the bond interest was provided by advances from the Federal government through July 1, 1982. Beginning then, the Authority is required to make annual sinking fund payments of $2,500. The interest rates on the advances range from 9.41% to 14.42%. The advances were repaid during 1990 by debt service grants from the participants to the Authority.

Advances and interest payable to the Federal government by the Authority at June 30, 1990 and 1989 were as follows.

| | 1990 | 1989 |
|---|---|---|
| Advances | $ — | 1,400 |
| Interest | — | 1,800 |
| **Total** | **$ —** | **3,200** |

## NOTE 5. FIXED ASSETS

### A. GENERAL FIXED ASSETS

A summary of changes in general fixed assets and resources invested follows.

| Asset Class | Balance October 1, 1989 | Acquisitions | Transfers/ Dispositions | Balance September 30, 1990 |
|---|---|---|---|---|
| Land | $ 170,499 | — | — | 170,499 |
| Improvements | 1,265,796 | — | 97,402 | 1,363,198 |
| Buildings | 1,688,635 | — | 125,316 | 1,813,951 |
| Equipment | 236,784 | 16,185 | 3,478 | 256,447 |
| Construction in progress | 147,805 | 309,549 | (245,362) | 211,992 |
| Transit system investment | 459,668 | — | 8,207 | 467,875 |
| **Total** | **3,969,187** | **325,734** | **(10,959)** | **4,283,962** |
| Less- accumulated depreciation | 1,390,531 | 112,492 | (3,455) | 1,499,568 |
| **Net general fixed assets** | **$2,578,656** | **213,242** | **(7,504)** | **2,784,394** |
| Governmental | $1,855,529 | 230,436 | (79,430) | 2,006,535 |
| Intergovernmental | 723,127 | 95,298 | (40,566) | 777,859 |
| **Total resources invested** | **$2,578,656** | **325,734** | **(119,996)** | **2,784,394** |

A summary of changes in general fixed assets by function follows.

| Function | Balance October 1, 1989 | Acquisitions | Transfers/ Dispositions | Balance September 30, 1990 |
|---|---|---|---|---|
| Governmental direction and support | $ 17,997 | 1,018 | (1,100) | 17,915 |
| Economic development and regulation | 526,208 | 1,225 | 65,212 | 592,645 |
| Public safety and justice | 374,862 | 6,793 | 35,636 | 417,291 |
| Public education system | 677,704 | 3,807 | 6,568 | 688,079 |
| Human support services | 266,822 | 1,255 | 8,823 | 276,900 |
| Public works | 1,498,121 | 2,087 | 111,057 | 1,611,265 |
| Construction in progress | 147,805 | 309,549 | (245,362) | 211,992 |
| Transit system investment | 459,668 | — | 8,207 | 467,875 |
| **Total** | **$3,969,187** | **325,734** | **(10,959)** | **4,283,962** |

Acquisitions consist of expenditures from the General Fund for equipment and from the Capital Projects Fund for construction in progress. When a project is completed, costs in the construction in progress account are transferred to one or more of the other asset classes or are removed. The transit system investment is described in Note 4.

### B. PROPRIETARY FIXED ASSETS

A summary of changes in proprietary fixed assets and contributed capital follows.

| Asset Class | Balance October 1, 1989 | Acquisitions | Transfers/ Dispositions | Balance September 30, 1990 |
|---|---|---|---|---|
| Land | $ 31,971 | — | — | 31,971 |
| Utility plant | 794,962 | — | 44,371 | 839,333 |
| Buildings | 264,309 | 1,226 | 3,980 | 269,515 |
| Equipment | 107,857 | 5,082 | (3,539) | 109,400 |
| Construction in progress | 53,725 | 53,345 | (49,717) | 57,353 |
| **Total** | **1,252,824** | **59,653** | **(4,905)** | **1,307,572** |
| Less- accumulated depreciation | 343,884 | 32,052 | (4,309) | 371,627 |
| **Net proprietary fixed assets** | **$ 908,940** | **27,601** | **(596)** | **935,945** |
| Governmental | $ 439,967 | 21,759 | (4,857) | 456,869 |
| Intergovernmental | 168,485 | 13,037 | (3,061) | 178,461 |
| **Total contributed capital** | **$ 608,452** | **34,796** | **(7,918)** | **635,330** |

Acquisitions consist of expenditures from proprietary funds ($37,930) and from the Capital Projects Fund ($20,050) plus interest capitalized ($1,673) for construction in progress.

### C. CONSTRUCTION IN PROGRESS

A summary of construction in progress at September 30, 1990 by function follows.

| Function | Number of Projects | Authorizations | Expenditures | Unexpended Balances |
|---|---|---|---|---|
| Governmental direction and support | 2 | $ 3,395 | 3,191 | 204 |
| Economic development and regulation | 3 | 9,753 | 995 | 8,758 |
| Public safety and justice | 33 | 230,388 | 102,111 | 128,277 |
| Public education system | 22 | 87,303 | 37,298 | 50,005 |
| Human support services | 50 | 109,088 | 50,525 | 58,563 |
| Public works | 33 | 96,430 | 17,872 | 78,558 |
| **Total general** | **143** | **$536,357** | **211,992** | **324,365** |
| Water and sewer | 11 | $153,915 | 30,907 | 123,008 |
| General hospital | 6 | 36,730 | 20,837 | 15,893 |
| Convention center | 2 | 3,089 | 389 | 2,700 |
| University | 6 | 89,883 | 5,220 | 84,663 |
| **Total proprietary** | **25** | **$283,617** | **57,353** | **226,264** |

## NOTE 6. LONG TERM LIABILITIES

### A. LONG TERM DEBT

Long term debt at year end was comprised of 217 original 30-year serial intergovernmental notes payable to the Federal government, with interest rates from 3.87% to 8.25%; and 8 original ($1,033,140) and 8 refunding ($1,138,652) issues of 15-year serial/20-year term general obligation bonds payable to the public, with interest rates from 5.25% to 9.50%. These bonds are secured by the full faith and credit of the District and by deposits with banks of a special real property tax for payment of bond principal and interest. At year end, the cash with fiscal agents was $115,604.

During the year, the District issued general obligation tax revenue anticipation notes in the amount of $250,000 with interest rates of 5.75% and 6.75%. The principal and interest were paid on September 28, 1990 by the General Fund. Interest and fiscal agent's fees were $15,051.

A summary of changes in long term debt follows.

| | Enterprise | | General | | |
|---|---|---|---|---|---|
| | Notes | Bonds | Notes | Bonds | Total |
| **Debt payable at October 1, 1989** | $ 62,135 | 237,501 | 589,615 | 1,646,251 | 2,535,502 |
| Bond proceeds: | | | | | |
| Series 1990A (improving) | — | 8,062 | — | 161,993 | 170,055 |
| Series 1990B (improving) | — | 4,456 | — | 176,779 | 181,235 |
| **Total** | **62,135** | **250,019** | **589,615** | **1,985,023** | **2,886,792** |
| Debt payments: | | | | | |
| Principal matured | 3,485 | 8,026 | 29,698 | 55,224 | 96,433 |
| **Debt payable at September 30, 1990** | **58,650** | **241,993** | **559,917** | **1,929,799** | **2,790,359** |
| Less - current maturities | 3,495 | 8,720 | — | — | 12,215 |
| **Long term debt** | **$ 55,155** | **233,273** | **559,917** | **1,929,799** | **2,778,144** |

A summary of principal and interest requirements to maturity of long term debt payable follows.

| | Enterprise | | General | | |
|---|---|---|---|---|---|
| Year Ending September 30 | Principal | Interest | Principal | Interest | Total |
| 1991 | $ 12,215 | 21,691 | 97,792 | 174,449 | 306,147 |
| 1992 | 12,928 | 20,922 | 104,106 | 169,252 | 307,208 |
| 1993 | 13,276 | 20,077 | 109,206 | 163,914 | 306,473 |
| 1994 | 14,146 | 19,183 | 113,977 | 155,279 | 302,585 |
| 1995 | 14,921 | 18,202 | 121,370 | 147,342 | 301,835 |
| 1996-2000 | 84,389 | 73,894 | 717,988 | 614,699 | 1,490,970 |
| 2001-2005 | 109,530 | 40,129 | 850,187 | 369,132 | 1,368,978 |
| 2006-2018 | 39,238 | 7,168 | 375,090 | 64,636 | 486,132 |
| **Total** | **$300,643** | **221,266** | **2,489,716** | **1,858,703** | **4,870,328** |

Each intergovernmental note issued to the Federal government contains a call provision which grants the District the right to "call in" the note before its scheduled maturity date without a premium. A note is extinguished for financial reporting purposes on the date the District pays the debt to the Federal government.

Each general obligation bond issued to the public contains a defeasance provision which allows the District to legally satisfy the debt and obtain a release without retiring the bond. A bond is extinguished for financial reporting purposes on the date the District places United States government obligations in an irrevocable trust for the sole purpose of servicing the principal and interest payments of debt. In addition, the possibility that the District will be required to make further payments must be remote, that is, unlikely.

### B. OTHER LONG TERM LIABILITIES

A summary of changes in other long term liabilities follows.

| Account | Balance October 1, 1989 | Additions | Deductions | Balance September 30, 1990 |
|---|---|---|---|---|
| **Enterprise:** | | | | |
| Contracts | $ 30,690 | — | 2,274 | 28,416 |
| **General:** | | | | |
| Accrued pension cost (Note 9) | 2,452,368 | 211,686 | — | 2,664,054 |
| Accrued disability compensation | 217,415 | 20,357 | — | 237,772 |
| Accumulated annual leave | 54,387 | 2,552 | — | 56,939 |
| Accreted interest | 853 | 3,681 | — | 4,534 |
| Miscellaneous | 3,866 | — | 1,337 | 2,529 |
| **Total** | **$2,759,579** | **238,276** | **3,611** | **2,994,244** |

## NOTE 7. POSTEMPLOYMENT BENEFITS

The cost of providing postretirement health care and life insurance for employees hired before October 1, 1987 is borne by the Federal government and the District has no liability for this cost. Employees hired after September 30, 1987 who subsequently retire may continue their health care benefit plan (D.C. Code 1-622) and may convert their group life insurance to individual life insurance (D.C. Code 1-623). No liability for the District's portion of the cost of postretirement benefits is recorded and the cost is recognized as an expenditure when the premiums are incurred. During the year, no expenditures were recognized because there were no covered retirees. At September 30, 1990, there were 7,780 active employees potentially eligible for postretirement health care and life insurance benefits.

## NOTE 8. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains six enterprise funds which sell services to the public on a continuing basis. Financial segment information as of and for the year ended September 30, 1990 was as follows.

| | Water and Sewer | General Hospital | Starplex | Convention Center | Lottery and Games | University | Total |
|---|---|---|---|---|---|---|---|
| Operating revenues: | | | | | | | |
| Gross | $189,189 | 146,681 | 8,414 | 7,440 | 149,170 | 8,224 | 509,118 |
| Deductions | — | 94,593 | — | — | 81,407 | — | 176,000 |
| Depreciation expense | 16,171 | 5,142 | 811 | 3,071 | 1,724 | 5,133 | 32,052 |
| Operating income (loss) | 32,492 | (73,067) | 1,409 | (13,667) | 47,914 | (97,297) | (102,216) |
| Nonop revenues (expenses) | (20,964) | — | — | 63 | 1,274 | 15,065 | (4,562) |
| Operating transfers in (out) | — | 49,993 | — | 10,603 | (48,875) | 74,958 | 86,679 |
| Net income (loss) | 11,528 | (23,074) | 1,409 | (3,001) | 313 | (7,274) | (20,099) |
| Total assets | 864,565 | 80,819 | 19,834 | 102,473 | 13,329 | 118,730 | 1,199,750 |
| Working capital (deficit) | 103,890 | (7,330) | 6,943 | (2,274) | (868) | 16,388 | 116,749 |
| Long term liabilities | 314,029 | — | — | — | 2,815 | — | 316,844 |
| Contributed capital | 352,054 | 92,242 | 15,715 | 92,734 | — | 82,585 | 635,330 |
| Retained earnings (deficit) | 128,247 | (38,117) | 2,698 | 6,746 | 2,448 | 16,873 | 118,895 |
| Capital contributions | 9,993 | 17,255 | — | 583 | — | (953) | 26,878 |
| Fixed asset acquisitions | 35,322 | 17,422 | 1,356 | 640 | 804 | 4,109 | 59,653 |
| Fixed asset dispositions | 39 | 420 | 103 | 34 | — | — | 596 |

## NOTE 9. DETAILED INFORMATION FOR TRUST AND AGENCY FUNDS

### A. HOUSING FINANCE

The District sponsors the Housing Finance Program which is administered by the Housing Finance Agency and is accounted for as a separate Housing Finance Trust Fund. The fund issues bonds and uses the proceeds to finance residential mortgage, construction and rehabilitation loans. The principal and interest of bonds issued by the fund are not general obligations of the District and are payable solely from defined revenues and assets of the fund. Administrative costs of the program are financed by the fund and by operating transfers and advances to the fund from the General Fund.

### B. UNEMPLOYMENT COMPENSATION

The District sponsors the Unemployment Compensation System which is administered by the Office of Unemployment Compensation in the Department of Employment Services and is accounted for as a separate Unemployment Compensation Trust Fund. The fund pays benefits to unemployed former employees of the District and Federal governments and private employers carrying on employment in the District. The District and Federal governments reimburse the fund for benefits paid by it to their respective unemployed former employees. Private employers contribute to the fund at statutory rates. All administrative costs of the system are paid by the General Fund and reimbursed by a Federal grant.

### C. PENSION

#### Plan Descriptions

The Federal government administers the Civil Service Retirement System (5 U.S.C. 8331) which covers permanent full-time employees hired before October 1, 1987 (except those covered by the District Retirement Program) and the Social Security System (42 U.S.C. 301) which covers all other employees (except those covered by the District Retirement Program).

District contributions to the pension plans administered by the Federal government, for the years ended September 30, 1990 and 1989, equaled employee contributions and were as follows. The District has no further liability to these plans.

| Plan | Rate | Employees | 1990 | 1989 |
|---|---|---|---|---|
| Civil Service | 7.00% | 26,237 | $ 58,291 | 59,598 |
| Social Security | 7.65 | 14,960 | 21,768 | 16,752 |
| **Total** | | **41,197** | **$ 80,059** | **76,350** |
| Total payroll | | | $1,707,155 | 1,627,282 |

The District Retirement Program (D.C. Code 4-601, 11-1561, 31-1201) is a single employer defined benefit pension plan administered by the Retirement Board and accounted for as pension trust funds. Administrative costs of the program are financed by the General Fund and operating transfers to the General Fund from the Pension Trust Funds.

The District Retirement Program covers four classes of employees who contribute a percentage of their salary. The number of participants at September 30, 1990 was as follows.

| Class | Rate | Retired | Vested | Nonvested | Total |
|---|---|---|---|---|---|
| Judges | 3.50% | 47 | 18 | 43 | 108 |
| Police officers/Fire fighters | 7.00 | 5,566 | 4,453 | 1,025 | 11,044 |
| Teachers | 7.00 | 3,549 | 5,767 | 1,657 | 10,973 |
| **Total** | | **9,162** | **10,238** | **2,725** | **22,125** |

Teachers who retire at age 55 with 30 years of service, at 60 with 20 years, or at 62 with 5 years are entitled to an annual annuity, payable monthly for life, equal to 1.5% of their average salary for the highest consecutive 3 years for each year of service up to 5 years, 1.75% for each year over 5 years, and 2% for each year over 10 years, up to a maximum of 80%, excluding credit for unused sick leave. Somewhat different age and service formulas are established for judges, police officers and fire fighters. The program also provides death and disability benefits. Benefits vest upon reaching 5 years of service and increase after retirement based upon inflation. Refunds are made if separation occurs before 5 years of service.

**Contributions Made**

On January 2, 1975, when the District of Columbia Self-Government and Governmental Reorganization Act became effective, the unfunded actuarial liability under the District Retirement Program was $1.9 billion. The Retirement Reform Act (D.C. Code 1-701) authorized the Federal government to make 25 annual contributions of $52,070 to the Pension Trust Funds from 1980 through 2004. These contributions total $1.3 billion and had a present value in 1975 of $486,800, using a 7% rate of interest. The present value of the future Federal obligation at September 30, 1990 was $487,253. The amount is included in Intergovernmental Receivable in the balance sheet of the trust and agency funds.

The Retirement Reform Act also provided that, for each year before 2005, the District will pay to the Pension Trust Funds a sum equal to normal cost (portion of benefits allocated to a valuation year) plus interest on the unfunded actuarial liability or net pay-as-you-go cost (benefit payments less employee contributions), whichever is less, plus annual amortization. An amount is calculated each year to amortize with interest, over a 10 year period, the difference between the projected unfunded actuarial liability as of September 30, 2004 and the unfunded actuarial liability at September 30, 1979 increased by the inflation assumption to September 30, 2004. The actual annual amortization payment may not exceed 30% (10% for police officers and fire fighters) of the net pay-as-you-go cost. In 1990, amortization over 10 years would have been $119,900 without the percentage limitation. Beginning in 2005, the District's annual contribution to the Pension Trust Funds will increase to cover normal cost plus interest on the unfunded actuarial liability.

The District contributions to the Pension Trust Funds for the years ended September 30, 1990 and 1989 were determined under the Retirement Reform Act on the entry age normal actuarial cost method before October 1 of each year as follows.

| Component | 1990 | 1989 |
|---|---|---|
| **(1) Normal cost plus interest:** | | |
| Normal cost | $111,754 | 104,347 |
| Interest on unfunded actuarial liability | 330,400 | 315,100 |
| **Total** | **442,154** | **419,447** |
| **(2) Net pay-as-you-go cost** | **186,500** | **178,300** |
| **(3) Mandatory contribution:** | | |
| Lesser of (1) or (2) | 186,500 | 178,300 |
| Annual amortization | 35,100 | 15,400 |
| **Subtotal** | **221,600** | **193,700** |
| **(4) Voluntary contribution** | 1,018 | 609 |
| **District contribution made** | **$222,618** | **194,309** |
| Employee contribution made | $ 34,652 | 34,840 |

**Pension Cost**

Pension cost is the contribution required by the Pension Trust Funds in order for them to accumulate sufficient assets to pay benefits when due. The pension cost, for the years ended September 30, 1990 and 1989, based on the unit credit actuarial cost method with amortization over a 25 year period, was as follows.

| Component | 1990 | 1989 |
|---|---|---|
| Normal cost | $135,771 | 121,604 |
| Interest on unfunded actuarial liability | 222,606 | 214,335 |
| Amortization of unfunded actuarial liability | 75,927 | 48,953 |
| **Pension cost** | **$434,304** | **384,892** |
| Covered payroll | $508,705 | 474,795 |

Pension cost, less District contribution made, was added each year to accrued pension cost in the General Long Term Liabilities Account Group.

Significant actuarial assumptions used to determine pension contributions, costs and obligations were as follows.

| Assumption | 1990 | 1989 |
|---|---|---|
| Rate of return on investments | 7% | 7% |
| Salary inflation increase | 5 | 5 |
| Salary merit increase | 2 | 2 |
| Postretirement benefit increase | 5 | 5 |

### Funding Status

The pension benefit obligation (actuarial present value of projected benefits, based on salary increases and step-rate benefits, allocated to service to date) of the District Retirement Program and the market value of the net assets available for benefits were determined at September 30, 1990 and 1989 as follows.

| Component | 1990 | 1989 |
|---|---|---|
| Retired employees | $3,592,659 | 3,290,649 |
| Current employees: | | |
| Employee contributions | 308,233 | 286,061 |
| District financed: | | |
| Vested | 2,053,253 | 1,965,991 |
| Nonvested | 960,313 | 872,538 |
| **Total pension benefit obligation** | **6,914,458** | **6,415,239** |
| Net assets available for benefits | 1,973,507 | 1,938,226 |
| **Unfunded pension benefit obligation** | **$4,940,951** | **4,477,013** |

Retired employees include retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them. Employee contributions include allocated investment earnings.

### Trend Information

A schedule of pension contributions, costs and obligations expressed as a percentage of annual covered payrolls, and net assets available for benefits expressed as a percentage of total pension benefit obligations, for the years ended September 30, 1990, 1989 and 1988, follows.

| Indicator | 1990 | 1989 | 1988 |
|---|---|---|---|
| District contribution made | 43.8% | 40.9% | 45.6% |
| Employee contribution made | 6.8 | 7.3 | 7.8 |
| Pension cost | 85.4 | 81.1 | 101.4 |
| Unfunded pension benefit obligation | 971.3 | 942.9 | 1,121.8 |
| Net assets available for benefits | 28.5 | 30.2 | 27.4 |

Historical trend information, designed to show progress made in accumulating sufficient assets to pay benefits when due, is presented in the component unit financial statements issued by the Pension Trust Funds.

### Supplementary Plans

The District sponsors a defined contribution plan (D.C. Code 1-627) with a qualified trust under Internal Revenue Code section 401 for permanent full-time employees covered by the Social Security System. The District contributes 7% of base salaries each quarter. Employees do not contribute to the plan and are eligible to participate after 1 year of service. Contributions made for the year ended September 30, 1990 of $3,751 were 7% of the covered payroll of $53,584. Contributions and earnings vest fully after 5 years of service following a 1 year waiting period. Contributions are reduced if separation occurs before 5 years of credited service. Contributions are not assets of the District which has no further liability to this plan.

The District sponsors an annuity purchase plan (D.C. Code 31-1252) with insurance companies and other issuers under Internal Revenue Code section 403 for public school teachers covered by the District Retirement Program. Employees may defer up to $9,500 of their annual compensation. The District does not contribute to the plan. Contributions vest immediately and are not assets of the District which has no liability to this plan.

## D. DEFERRED COMPENSATION

The District sponsors a deferred compensation plan (D.C. Code 47-3601) which is administered by independent contractors under Internal Revenue Code section 457 and is accounted for as a separate Deferred Compensation Agency Fund. Employees, other than teachers, may defer up to 25% of the first $30,000 of their annual compensation. Compensation deferred and income earned are taxable when paid or made available to the participant or beneficiary upon retirement, death, termination or unforeseeable emergency. The plan assets are the property of the District and are subject to the claims of the District's general creditors. The District is liable to a participant only for income lost because of its failure to invest a deferred amount as directed by the participant.

The market value of the plan assets at September 30, 1990 of $78,377 is included in restricted Cash and Investments and in Other Restricted Liabilities in the balance sheet of the trust and agency funds.

## NOTE 10. INTERGOVERNMENTAL TRANSACTIONS

### A. PAYMENT IN LIEU OF TAXES

The Federal payment to the District is in lieu of taxes it would have had to pay had it been subject to taxation and for costs incurred by the District for special purposes. About February 1 of each year, the Mayor submits to the Council a requested Federal payment for the fiscal year commencing the following October 1. After action by the Council, the Mayor submits the request to the President for submission to Congress. The amount authorized by Congress to be appropriated as the Federal payment is based upon studies of revenues lost and costs incurred because of the Federal presence and the tax burden on District residents relative to other comparable jurisdictions.

The Federal contribution to the Pension Trust Funds is described in section C of Note 9 and to the Water and Sewer Enterprise Fund in section D of this note.

A summary of the Federal payment to the General Fund for the years ended September 30, 1990 and 1989 follows.

| Purpose | 1990 | 1989 |
|---|---|---|
| General purpose | $430,500 | 430,500 |
| Saint Elizabeths hospital | 15,000 | 20,000 |
| Drug emergency program | 31,772 | — |
| Criminal justice initiative | 29,694 | — |
| Inaugural activities | — | 3,300 |
| **Total** | **$506,966** | **453,800** |

### B. OPERATING GRANTS

The District participates in Federal grant-in-aid programs. A summary of operating grants for the years ended September 30, 1990 and 1989 follows.

| Function | 1990 | 1989 |
|---|---|---|
| Governmental direction and support | $ 26 | 62 |
| Economic development and regulation | 115,136 | 98,245 |
| Public safety and justice | 3,561 | 4,593 |
| Public education system | 54,485 | 54,182 |
| Human support services | 399,001 | 372,580 |
| Public works | 3,148 | 3,305 |
| **Total general** | **575,357** | **532,967** |
| University | 6,197 | 4,660 |
| **Total** | **$581,554** | **537,627** |

### C. CAPITAL GRANTS

Federal capital grants are used for the purchase or construction of fixed assets. Capital grants, except for water and sewer facilities, are recorded as intergovernmental revenues in the Capital Projects Fund. Capital grants for water and sewer facilities are recorded as Contributed Capital in the Water and Sewer Enterprise Fund. A summary of capital grants for the years ended September 30, 1990 and 1989 follows.

| Function | 1990 | 1989 |
|---|---|---|
| Economic development and regulation | $ 13,789 | 10,317 |
| Human support services | 3,242 | 2,188 |
| Public works | 75,719 | 60,496 |
| **Total general** | **92,750** | **73,001** |
| Water and sewer | 13,037 | 13,189 |
| **Total** | **$105,787** | **86,190** |

### D. WATER AND SEWER SERVICES

The Federal contribution to the Water and Sewer Enterprise Fund was $34,554 in 1990 and $32,040 in 1989 for water and sanitary sewer services furnished to facilities of the Federal government.

The District exercises no oversight responsibility over the Washington Aqueduct which is owned by the Federal government and operated by the United States Army Corps of Engineers. The District compensates the Federal government for all operating expenses and capital outlays of the Washington Aqueduct. The capital outlays are capitalized and depreciated over 60 years in the Water and Sewer Enterprise Fund. A summary of costs incurred for the years ended September 30, 1990 and 1989 follows.

| Purpose | 1990 | 1989 |
|---|---|---|
| Operating expenses | $14,970 | 13,639 |
| Capital outlays | 1,550 | 1,427 |
| **Total** | **$16,520** | **15,066** |

## NOTE 11. COMMITMENTS

Minimum future rental payments for all operating leases having noncancelable terms in excess of one year are as follows.

| Year | Facilities | Equipment | Total |
|---|---|---|---|
| 1991 | $ 36,866 | 1,690 | 38,556 |
| 1992 | 31,986 | 1,498 | 33,484 |
| 1993 | 25,395 | 1,025 | 26,420 |
| 1994 | 20,135 | 413 | 20,548 |
| 1995 | 15,051 | 323 | 15,374 |
| Thereafter | 124,824 | 307 | 125,131 |
| **Total** | **$254,257** | **5,256** | **259,513** |

Rental expenditures were $43,364 in 1990 and $39,313 in 1989. There were no material capital leases. Grants for mass transit are described in Note 4. Unexpended balances of construction in progress are described in Note 5.

## NOTE 12. CONTINGENT LIABILITIES

### A. RISK MANAGEMENT

The District retains all risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. A claim is accrued when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

A summary of changes in the accrued liability for claims in the General Fund follows. The liability includes an estimate of claims that have been incurred but not reported.

| Component | 1990 | 1989 |
|---|---|---|
| **Liability at October 1** | **$20,500** | **20,500** |
| Incurred claims | 14,820 | 17,762 |
| Less- claim payments | 12,580 | 17,762 |
| **Liability at September 30** | **$22,740** | **20,500** |

No accrual has been provided for possible but not probable additional claims which are reasonably estimated at $9,700. Assets are not set aside to finance claim payments.

### B. FEDERALLY ASSISTED PROGRAMS

The District participates in a number of Federally assisted grant programs as described in Note 10. These grants are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for the year ended September 30, 1990 have not yet been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. An accrual of $36,975 in the General Fund has been provided which reasonably estimates the probable amount of expenditures that may be disallowed by the granting agencies.

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Where the District has more than one fund of a given type, combining statements for all funds of that type are presented in columnar format. Where the District has only one fund of a given type, individual fund statements are presented with prior year comparisons. Where greater detail for information reported in the statements is deemed useful, schedules are presented.

## GENERAL FUND

The General Fund is used to account for all financial resources which are not required to be accounted for in another fund. All fixed assets of the District except those related to specific proprietary funds are accounted for through the General Fixed Assets Account Group. All long term liabilities of the District except those related to specific proprietary and fiduciary funds are accounted for through the General Long Term Liabilities Account Group.

Exhibit A-1

## GENERAL FUND

## COMPARATIVE BALANCE SHEETS

### September 30, 1990 and 1989
### ($000s)

| | 1990 | 1989 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash and investments | $109,710 | 85,885 |
| Receivables (net of allowances for uncollectibles): | | |
| Taxes | 191,787 | 201,710 |
| Accounts | 39,493 | 34,409 |
| Intergovernmental | 133,222 | 136,068 |
| Interfund | 9,658 | — |
| Inventories | 27,744 | 26,332 |
| Total current assets | 511,614 | 484,404 |
| **Long Term Assets:** | | |
| Receivables: | | |
| Accounts | 5,585 | 5,585 |
| Loans | 39,393 | 36,225 |
| Interfund | 8,954 | 8,041 |
| Total long term assets | 53,932 | 49,851 |
| **Total assets** | **$565,546** | **534,255** |
| **LIABILITIES AND FUND BALANCES** | | |
| **Current Liabilities:** | | |
| Payables: | | |
| Accounts | $230,285 | 137,878 |
| Compensation: | | |
| Salaries and wages | 112,031 | 103,645 |
| Employee benefits | 4,541 | 6,930 |
| Payroll taxes | 2,122 | 2,059 |
| Overtime leave | 382 | 1,923 |
| Annual leave | 28,412 | 25,676 |
| Other deductions | 1,276 | 115 |
| Intergovernmental | 37,302 | 39,152 |
| Interfund | 2,820 | 20,073 |
| Accrued liabilities: | | |
| Claims and judgments | 22,740 | 20,500 |
| Grant disallowances | 36,975 | 28,500 |
| Interest | 46,900 | 39,264 |
| Tax overcollections | — | 3,186 |
| Other accruals | 51,679 | 44,826 |
| Deferred revenue: | | |
| Property taxes | 244,051 | 211,209 |
| Intergovernmental grants | 9,841 | 16,520 |
| Other deferrals | 52,849 | 34,250 |
| Other current liabilities | 12,929 | 11,952 |
| **Total liabilities** | **897,135** | **747,658** |
| **Fund Balances:** | | |
| Reserved for long term assets | 53,932 | 49,851 |
| Unreserved (deficit) | (385,521) | (263,254) |
| **Total fund balances** | **(331,589)** | **(213,403)** |
| **Total liabilities and fund balances** | **$565,546** | **534,255** |

Exhibit A-2

## GENERAL FUND

## COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### Years Ended September 30, 1990 and 1989
($000s)

| | 1990 | 1989 |
|---|---|---|
| **Revenues:** | | |
| Taxes: | | |
| Property | $ 737,138 | 710,766 |
| Sales and use | 546,823 | 507,169 |
| Income and franchise | 777,651 | 759,883 |
| Gross receipts | 127,573 | 136,680 |
| Other | 89,942 | 90,100 |
| Licenses and permits | 32,285 | 33,069 |
| Fines and forfeits | 48,542 | 45,511 |
| Charges for services | 139,554 | 125,756 |
| Miscellaneous | 98,431 | 93,490 |
| Intergovernmental: | | |
| Payment in lieu of taxes | 506,966 | 453,800 |
| Operating grants | 575,357 | 532,967 |
| Total revenues | 3,680,262 | 3,489,191 |
| **Expenditures:** | | |
| Current: | | |
| Governmental direction and support | 153,766 | 147,014 |
| Economic development and regulation | 275,225 | 258,969 |
| Public safety and justice | 1,040,924 | 928,983 |
| Public education system | 713,372 | 658,857 |
| Human support services | 1,212,370 | 1,097,031 |
| Public works | 287,094 | 270,089 |
| Employee benefits addition (deduction) | (234,595) | (169,653) |
| Debt service: | | |
| Principal | 84,922 | 71,743 |
| Interest | 162,050 | 153,555 |
| Fiscal charges | 7,878 | 3,550 |
| Total expenditures | 3,703,006 | 3,420,138 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (22,744) | 69,053 |
| **Other Financing Sources (Uses):** | | |
| Proceeds (payment) of: | | |
| Refunding bonds | — | 194,903 |
| Refunded debt | — | (166,524) |
| Refunding charges | — | (29,312) |
| Operating transfers in (out): | | |
| Capital Projects Fund | (13,146) | 5,813 |
| General Hospital Fund | (49,993) | (44,430) |
| Starplex | — | 1,000 |
| Convention Center Fund | (10,603) | (8,597) |
| Lottery and Games Fund | 48,875 | 53,000 |
| University Fund | (74,958) | (74,310) |
| Housing Finance Fund | (778) | (29) |
| Pension Funds | 5,161 | 4,902 |
| Total other financing sources (uses) | (95,442) | (63,584) |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES** | **(118,186)** | **5,469** |
| **Fund Balances (Deficit) at October 1** | **(213,403)** | **(218,872)** |
| **Fund Balances (Deficit) at September 30** | **$ (331,589)** | **(213,403)** |

Exhibit A-3

## GENERAL FUND

## SCHEDULE OF REVENUES
## BUDGET AND ACTUAL (BUDGETARY BASIS)

### Year Ended September 30, 1990
### ($000s)

| Source | Appropriated Budget | Appropriated Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| **Taxes:** | | | |
| Property: | | | |
| Real | $ 688,170 | 664,591 | (23,579) |
| Personal | 65,300 | 62,584 | (2,716) |
| Public space rental | 9,700 | 9,963 | 263 |
| Total | 763,170 | 737,138 | (26,032) |
| Sales and use: | | | |
| General | 489,650 | 466,557 | (23,093) |
| Alcoholic beverages | 6,460 | 6,136 | (324) |
| Cigarette | 9,800 | 9,178 | (622) |
| Hotel occupancy | 9,100 | 8,702 | (398) |
| Motor fuel | 31,700 | 30,207 | (1,493) |
| Motor vehicle | 29,700 | 26,043 | (3,657) |
| Total | 576,410 | 546,823 | (29,587) |
| Income and franchise: | | | |
| Individual income | 647,600 | 637,910 | (9,690) |
| Corporation franchise | 130,200 | 112,273 | (17,927) |
| Unincorporated business | 31,400 | 27,468 | (3,932) |
| Total | 809,200 | 777,651 | (31,549) |
| Gross receipts: | | | |
| Public utility | 73,400 | 74,601 | 1,201 |
| Toll telecommunication | 19,700 | 19,156 | (544) |
| Insurance companies | 30,000 | 33,816 | 3,816 |
| Total | 123,100 | 127,573 | 4,473 |
| Other: | | | |
| Inheritance and estate | 10,200 | 23,497 | 13,297 |
| Recordation | 45,000 | 35,477 | (9,523) |
| Transfer | 34,700 | 30,968 | (3,732) |
| Total | 89,900 | 89,942 | 42 |
| Total taxes | 2,361,780 | 2,279,127 | (82,653) |
| **Licenses and Permits:** | | | |
| Business licenses | 17,490 | 15,711 | (1,779) |
| Nonbusiness permits | 17,317 | 16,574 | (743) |
| Total | 34,807 | 32,285 | (2,522) |
| **Fines and Forfeits** | 48,911 | 48,542 | (369) |
| **Charges for Services:** | | | |
| Court fees | 4,438 | 4,470 | 32 |
| Parking meters | 12,000 | 10,947 | (1,053) |
| Other | 37,327 | 34,319 | (3,008) |
| Total | 53,765 | 49,736 | (4,029) |
| **Miscellaneous:** | | | |
| Interest | 22,055 | 24,989 | 2,934 |
| Abandonments | 1,343 | 1,960 | 617 |
| Other | 2,988 | 14,041 | 11,053 |
| Total | 26,386 | 40,990 | 14,604 |
| **Intergovernmental:** | | | |
| Payment in lieu of taxes | 477,272 | 506,966 | 29,694 |
| **Total revenues** | **$3,002,921** | **2,957,646** | **(45,275)** |

Exhibit A-4

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND USES BUDGET AND ACTUAL (BUDGETARY BASIS)

### Year Ended September 30, 1990 ($000s)

| Function and Subfunction | Appropriated Budget | Appropriated Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| **Governmental Direction and Support:** | | | |
| Legislative | $ 10,256 | 10,007 | 249 |
| Executive | 9,257 | 9,182 | 75 |
| Finance | 54,621 | 54,338 | 283 |
| Personnel | 21,016 | 21,191 | (175) |
| Administrative | 28,171 | 27,948 | 223 |
| Elections | 3,614 | 3,725 | (111) |
| Total | 126,935 | 126,391 | 544 |
| **Economic Development and Regulation:** | | | |
| Community development | 21,138 | 19,984 | 1,154 |
| Public housing | 29,129 | 26,232 | 2,897 |
| Economic regulation | 39,404 | 37,536 | 1,868 |
| Employment services | 37,167 | 35,512 | 1,655 |
| Total | 126,838 | 119,264 | 7,574 |
| **Public Safety and Justice:** | | | |
| Police | 353,744 | 353,580 | 164 |
| Fire | 128,371 | 126,685 | 1,686 |
| Correction | 244,072 | 258,057 | (13,985) |
| Protection | 4,005 | 3,595 | 410 |
| Law | 40,439 | 36,448 | 3,991 |
| Judicial | 94,779 | 90,977 | 3,802 |
| Total | 865,410 | 869,342 | (3,932) |
| **Public Education System:** | | | |
| Schools | 587,440 | 587,413 | 27 |
| Culture | 21,732 | 21,319 | 413 |
| Total | 609,172 | 608,732 | 440 |
| **Human Support Services:** | | | |
| Health and welfare | 698,243 | 710,900 | (12,657) |
| Human relations | 18,711 | 16,648 | 2,063 |
| Employment benefits | 24,142 | 24,058 | 84 |
| Recreation | 31,368 | 29,176 | 2,192 |
| Total | 772,464 | 780,782 | (8,318) |
| **Public Works** | 214,917 | 210,261 | 4,656 |
| **Unallocated Addition (Rescission)** | (23,609) | — | (23,609) |
| **Debt Service:** | | | |
| Principal | 84,922 | 84,922 | — |
| Interest | 154,216 | 155,868 | (1,652) |
| Total | 239,138 | 240,790 | (1,652) |
| **Financing Uses:** | | | |
| Operating transfers | 51,656 | 88,369 | (36,713) |
| **Total expenditures and uses** | **$2,982,921** | **3,043,931** | **(61,010)** |

Exhibit A-5

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND USES FUNCTION AND OBJECT (GAAP BASIS)

### Year Ended September 30, 1990
### With Comparative Totals for Year Ended September 30, 1989
### ($000s)

| Function and Subfunction | Personal Services | Contractual Services | Supplies | Occupancy | Miscellaneous | Totals 1990 | Totals 1989 |
|---|---|---|---|---|---|---|---|
| **Governmental Direction and Support:** | | | | | | | |
| Legislative | $ 7,662 | 555 | 109 | 226 | 1,425 | 9,977 | 9,812 |
| Executive | 9,634 | 1,309 | 114 | 589 | 532 | 12,178 | 12,137 |
| Finance | 31,506 | 6,974 | 617 | 1,366 | 17,463 | 57,926 | 52,039 |
| Personnel | 16,778 | 5,801 | 188 | 573 | 3,448 | 26,788 | 27,030 |
| Administrative | 17,759 | 15,387 | 1,253 | 8,660 | 497 | 43,556 | 42,770 |
| Elections | 2,473 | 441 | 73 | 218 | 136 | 3,341 | 3,226 |
| Total | 85,812 | 30,467 | 2,354 | 11,632 | 23,501 | 153,766 | 147,014 |
| **Economic Development and Regulation:** | | | | | | | |
| Community development | 18,679 | 29,056 | 259 | 3,959 | 14,116 | 66,069 | 56,600 |
| Public housing | 22,696 | 6,348 | 1,747 | 17,058 | 50,382 | 98,231 | 93,696 |
| Economic regulation | 33,828 | 3,740 | 400 | 1,960 | 2,005 | 41,933 | 41,204 |
| Employment services | 30,634 | 3,456 | 371 | 2,537 | 31,994 | 68,992 | 67,469 |
| Total | 105,837 | 42,600 | 2,777 | 25,514 | 98,497 | 275,225 | 258,969 |
| **Public Safety and Justice:** | | | | | | | |
| Police | 457,228 | 6,647 | 6,193 | 4,328 | 8,550 | 482,946 | 414,683 |
| Fire | 154,330 | 1,914 | 1,409 | 1,651 | 1,600 | 160,904 | 160,618 |
| Correction | 142,358 | 9,812 | 26,144 | 9,291 | 71,407 | 259,012 | 224,856 |
| Protection | 3,516 | 381 | 96 | 202 | 64 | 4,259 | 4,214 |
| Law | 15,529 | 14,190 | 335 | 894 | 9,947 | 40,895 | 43,510 |
| Judicial | 57,214 | 30,805 | 719 | 975 | 3,195 | 92,908 | 81,102 |
| Total | 830,175 | 63,749 | 34,896 | 17,341 | 94,763 | 1,040,924 | 928,983 |
| **Public Education System:** | | | | | | | |
| Schools | 607,191 | 15,990 | 20,711 | 21,468 | 25,482 | 690,842 | 636,185 |
| Culture | 15,247 | 1,095 | 305 | 1,550 | 4,333 | 22,530 | 22,672 |
| Total | 622,438 | 17,085 | 21,016 | 23,018 | 29,815 | 713,372 | 658,857 |
| **Human Support Services:** | | | | | | | |
| Health and welfare | 319,164 | 85,821 | 16,801 | 35,343 | 656,721 | 1,113,850 | 1,043,511 |
| Human relations | 4,449 | 15,123 | 113 | 257 | 750 | 20,692 | 21,233 |
| Employment benefits | 44,416 | — | — | — | — | 44,416 | (2,140) |
| Recreation | 27,225 | 2,027 | 1,728 | 1,717 | 715 | 33,412 | 34,427 |
| Total | 395,254 | 102,971 | 18,642 | 37,317 | 658,186 | 1,212,370 | 1,097,031 |
| **Public Works** | 96,892 | 48,997 | 11,179 | 11,865 | 118,161 | 287,094 | 270,089 |
| **Employee Benefits Addition (Deduction):** | | | | | | | |
| Governmental direction and support | (96) | — | — | — | — | (96) | (171) |
| Economic development and regulation | (216) | — | — | — | — | (216) | (354) |
| Public safety and justice | (166,829) | — | — | — | — | (166,829) | (148,842) |
| Public education system | (46,646) | — | — | — | — | (46,646) | (45,317) |
| Human support services | (20,776) | — | — | — | — | (20,776) | (25,151) |
| Public works | (32) | — | — | — | — | (32) | (120) |
| Total | (234,595) | — | — | — | — | (234,595) | (169,653) |
| **Debt Service** | — | — | — | — | 254,850 | 254,850 | 228,848 |
| **Financing Uses** | — | — | — | — | 95,442 | 95,442 | 63,584 |
| **Total expenditures and uses** | $1,901,813 | 305,869 | 90,864 | 126,687 | 1,373,215 | 3,798,448 | 3,483,722 |

## CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the purchase of fixed assets which are wholly or partly financed by capital grants or general long term debt and for the construction of fixed assets, other than those financed by the Water and Sewer Enterprise Fund. The Capital Projects Fund is not used to account for the purchase of general fixed assets which are financed wholly by the General Fund or by proprietary funds.

Fixed assets are capitalized in the General Fixed Assets Account Group or in the proprietary fund to which they apply. Expenditures for items which are below the minimum cost or life of a fixed asset unit are not capitalized.

Exhibit B-1

## CAPITAL PROJECTS FUND

## COMPARATIVE BALANCE SHEETS

### September 30, 1990 and 1989
($000s)

| | 1990 | 1989 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash | $199,316 | 77,615 |
| Intergovernmental receivable | 38,127 | 25,508 |
| **Total assets** | **$237,443** | **103,123** |
| **LIABILITIES AND FUND BALANCES** | | |
| **Current Liabilities:** | | |
| Accounts payable | $ 56,697 | 34,189 |
| Deferred revenue | 29,088 | 32,345 |
| **Total liabilities** | **85,785** | **66,534** |
| **Fund Balances:** | | |
| Reserved for encumbrances | 151,658 | 36,589 |
| **Total liabilities and fund balances** | **$237,443** | **103,123** |

Exhibit B-2

## CAPITAL PROJECTS FUND

## COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### Years Ended September 30, 1990 and 1989
### ($000s)

| | 1990 | 1989 |
|---|---|---|
| **Revenues:** | | |
| Intergovernmental: | | |
| Capital grants | $ 92,750 | 73,001 |
| **Expenditures:** | | |
| Capital outlay: | | |
| General fixed assets | 309,549 | 239,178 |
| Proprietary fixed assets | 20,050 | 9,041 |
| Total expenditures | 329,599 | 248,219 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (236,849) | (175,218) |
| **Other Financing Sources:** | | |
| Proceeds of improving bonds | 338,772 | 163,142 |
| Operating transfers in (out): | | |
| General Fund | 13,146 | (5,813) |
| Total other financing sources | 351,918 | 157,329 |
| **EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES** | 115,069 | (17,889) |
| **Fund Balances at October 1** | 36,589 | 54,478 |
| **Fund Balances at September 30** | $151,658 | 36,589 |

Exhibit B-3

## CAPITAL PROJECTS FUND

## SCHEDULE OF CONSTRUCTION IN PROGRESS

September 30, 1990
($000s)

| Function and Subfunction | Number of Projects | Authorizations | Expenditures | | | Unexpended Balances |
|---|---|---|---|---|---|---|
| | | | Prior Years | Current Year | Total | |
| **GENERAL** | | | | | | |
| **Governmental Direction and Support:** | | | | | | |
| Executive | 1 | $ 3,278 | 2,766 | 308 | 3,074 | 204 |
| Administrative | 1 | 117 | — | 117 | 117 | — |
| Total | 2 | 3,395 | 2,766 | 425 | 3,191 | 204 |
| **Economic Development and Regulation:** | | | | | | |
| Community development | 3 | 9,753 | 280 | 715 | 995 | 8,758 |
| **Public Safety and Justice:** | | | | | | |
| Police | 1 | 1,704 | 263 | (98) | 165 | 1,539 |
| Fire | 3 | 6,814 | 1,164 | 465 | 1,629 | 5,185 |
| Correction | 23 | 214,623 | 27,659 | 70,801 | 98,460 | 116,163 |
| Protection | 2 | 2,120 | 824 | 33 | 857 | 1,263 |
| Judicial | 4 | 5,127 | 327 | 673 | 1,000 | 4,127 |
| Total | 33 | 230,388 | 30,237 | 71,874 | 102,111 | 128,277 |
| **Public Education System:** | | | | | | |
| Schools | 18 | 82,863 | 23,283 | 13,557 | 36,840 | 46,023 |
| Culture | 4 | 4,440 | 92 | 366 | 458 | 3,982 |
| Total | 22 | 87,303 | 23,375 | 13,923 | 37,298 | 50,005 |
| **Human Support Services:** | | | | | | |
| Health and welfare | 20 | 58,383 | 21,908 | 9,239 | 31,147 | 27,236 |
| Human relations | 3 | 23,652 | 3,142 | 8,928 | 12,070 | 11,582 |
| Recreation | 27 | 27,053 | 5,142 | 2,166 | 7,308 | 19,745 |
| Total | 50 | 109,088 | 30,192 | 20,333 | 50,525 | 58,563 |
| **Public Works:** | | | | | | |
| Environment | 6 | 20,633 | 3,107 | 386 | 3,493 | 17,140 |
| Government buildings | 27 | 75,797 | 9,875 | 4,504 | 14,379 | 61,418 |
| Total | 33 | 96,430 | 12,982 | 4,890 | 17,872 | 78,558 |
| **Total general** | **143** | **$536,357** | **99,832** | **112,160** | **211,992** | **324,365** |
| **PROPRIETARY** | | | | | | |
| **Water and Sewer:** | | | | | | |
| Water | 4 | $ 64,025 | 1,250 | 794 | 2,044 | 61,981 |
| Sewer | 7 | 89,890 | 10,783 | 18,080 | 28,863 | 61,027 |
| Total | 11 | 153,915 | 12,033 | 18,874 | 30,907 | 123,008 |
| **General Hospital** | 6 | 36,730 | 6,710 | 14,127 | 20,837 | 15,893 |
| **Convention Center** | 2 | 3,089 | 15 | 374 | 389 | 2,700 |
| **University** | 6 | 89,883 | 3,516 | 1,704 | —5,220 | 84,663 |
| **Total proprietary** | **25** | **$283,617** | **22,274** | **35,079** | **57,353** | **226,264** |

## ENTERPRISE FUNDS

Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the costs (including depreciation) of providing goods or services primarily or solely to the public on a continuing basis are or could be financed or recovered primarily through user charges.

The **Water and Sewer Fund** is used to account for the provision of water and sewer services to residents of the District, suburban Maryland and northern Virginia. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, debt service, billing and collecting. Depreciation on fixed assets acquired through capital grants is closed to Contributed Capital. The fund is not a legal entity and does not have a separate governing body.

The **General Hospital Fund** is used to account for the costs of providing medical and surgical treatment to sick and injured residents by the District of Columbia General Hospital. The hospital is governed by eleven commissioners appointed by the Mayor with the consent of the Council.

The **Starplex Fund** is used to account for maintaining and operating the armory to provide facilities for the quartering and training of the National Guard of the District of Columbia and for major athletic events, conventions, concerts and other activities; and for maintaining and operating the Robert F. Kennedy Memorial Stadium for athletic and other events. The armory and stadium are governed by a three member Armory Board, two of whose members are appointed by the Mayor with the consent of the Council. The third member is the commanding general of the National Guard.

The **Convention Center Fund** is used to account for maintaining and operating the Washington Convention Center for local public shows and exhibitions, civic and community events and gatherings, athletic and cultural events, entertainment and other activities. The convention center is governed by five directors appointed by the Mayor with the consent of the Council.

The **Lottery and Games Fund** is used to account for revenues from lotteries and daily numbers games operated by the District of Columbia and from licenses to conduct bingo games and raffles, and related prizes, expenses and capital outlays. Gambling activities are administered by a Lottery and Charitable Games Control Board consisting of five members appointed by the Mayor with the consent of the Council. All moneys made available to the Lottery and Games Fund by the General Fund must be derived from non-Federal revenues.

The **University Fund** is used to account for the resources received and used by the University of the District of Columbia which is a land-grant institution offering higher education to the public. The university is governed by a Board of Trustees. Eleven members of the board are appointed by the Mayor with the consent of the Council, one member is a full-time student, and three members are appointed by the alumni associations. Depreciation on fixed assets is closed to Contributed Capital.

Exhibit C-1

## ENTERPRISE FUNDS

## COMBINING BALANCE SHEET

### September 30, 1990
### With Comparative Totals for September 30, 1989
### ($000s)

| | Water and Sewer | General Hospital | Starplex | Convention Center | Lottery and Games | University | Totals 1990 | Totals 1989 |
|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | |
| **Current Assets:** | | | | | | | | |
| Cash and investments | $103,127 | 15 | 7,801 | 386 | 4,943 | 27,731 | 144,003 | 135,171 |
| Receivables (net of allowances for uncollectibles): | | | | | | | | |
| Accounts | 55,525 | 17,495 | 232 | 331 | 2,048 | 1,928 | 77,559 | 78,447 |
| Intergovernmental | 6,176 | — | — | — | — | 2,431 | 8,607 | 5,572 |
| Inventories | 9,297 | 1,854 | — | — | 202 | — | 11,353 | 12,268 |
| Other current assets | — | — | 331 | 2 | 5 | 3,570 | 3,908 | 4,022 |
| Total current assets | 174,125 | 19,364 | 8,364 | 719 | 7,198 | 35,660 | 245,430 | 235,480 |
| **Long Term Assets:** | | | | | | | | |
| Intergovernmental receivable | 14,210 | — | — | — | — | — | 14,210 | 12,659 |
| Deferred charges | 4,165 | — | — | — | — | — | 4,165 | 4,154 |
| Total long term assets | 18,375 | — | — | — | — | — | 18,375 | 16,813 |
| **Fixed Assets:** | | | | | | | | |
| Property and equipment | 899,830 | 108,846 | 27,863 | 122,629 | 9,894 | 138,510 | 1,307,572 | 1,252,824 |
| Less - accumulated depreciation | 227,765 | 47,391 | 16,393 | 20,875 | 3,763 | 55,440 | 371,627 | 343,884 |
| Net fixed assets | 672,065 | 61,455 | 11,470 | 101,754 | 6,131 | 83,070 | 935,945 | 908,940 |
| **Total assets** | **$864,565** | **80,819** | **19,834** | **102,473** | **13,329** | **118,730** | **1,199,750** | **1,161,233** |
| **LIABILITIES AND FUND EQUITY** | | | | | | | | |
| **Current Liabilities:** | | | | | | | | |
| Payables: | | | | | | | | |
| Accounts | $ 26,328 | 6,205 | 893 | 1,015 | 2,055 | 3,508 | 40,004 | 33,467 |
| Compensation | 6,532 | 10,502 | 190 | 549 | 537 | 7,897 | 26,207 | 26,728 |
| Intergovernmental | 3,694 | — | — | — | — | — | 3,694 | 3,882 |
| Interfund | — | 9,658 | — | — | — | — | 9,658 | — |
| Accrued liabilities | 9,291 | — | — | 17 | 4,084 | 413 | 13,805 | 12,196 |
| Deferred revenue | 11,036 | 71 | — | 632 | 135 | 3,870 | 15,744 | 8,302 |
| Current maturities | 12,215 | — | — | — | — | — | 12,215 | 11,510 |
| Other current liabilities | 1,139 | 258 | 338 | 780 | 1,255 | 3,584 | 7,354 | 7,080 |
| Total current liabilities | 70,235 | 26,694 | 1,421 | 2,993 | 8,066 | 19,272 | 128,681 | 103,165 |
| **Long Term Liabilities:** | | | | | | | | |
| Long term debt: | | | | | | | | |
| Intergovernmental notes payable | 55,155 | — | — | — | — | — | 55,155 | 58,650 |
| General obligation bonds payable | 233,273 | — | — | — | — | — | 233,273 | 229,476 |
| Other long term liabilities | 25,601 | — | — | — | 2,815 | — | 28,416 | 30,690 |
| Total long term liabilities | 314,029 | — | — | — | 2,815 | — | 316,844 | 318,816 |
| **Total liabilities** | **384,264** | **26,694** | **1,421** | **2,993** | **10,881** | **19,272** | **445,525** | **421,981** |
| **Fund Equity:** | | | | | | | | |
| Contributed capital | 352,054 | 92,242 | 15,715 | 92,734 | — | 82,585 | 635,330 | 608,452 |
| Retained earnings (deficit) | 128,247 | (38,117) | 2,698 | 6,746 | 2,448 | 16,873 | 118,895 | 130,800 |
| **Total fund equity** | **480,301** | **54,125** | **18,413** | **99,480** | **2,448** | **99,458** | **754,225** | **739,252** |
| **Total liabilities and fund equity** | **$864,565** | **80,819** | **19,834** | **102,473** | **13,329** | **118,730** | **1,199,750** | **1,161,233** |

Exhibit C-2

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

### Year Ended September 30, 1990
### With Comparative Totals for Year Ended September 30, 1989
### ($000s)

| | Water and Sewer | General Hospital | Starplex | Convention Center | Lottery and Games | University | Totals 1990 | Totals 1989 |
|---|---|---|---|---|---|---|---|---|
| **Operating Revenues:** | | | | | | | | |
| Charges for services | $189,189 | 52,088 | 8,414 | 7,440 | 67,763 | 8,224 | 333,118 | 354,191 |
| **Operating Expenses:** | | | | | | | | |
| Personal services | 50,852 | 87,137 | 2,840 | 7,915 | 4,852 | 71,617 | 225,213 | 213,189 |
| Contractual services | 48,040 | 13,368 | 1,102 | 7,667 | 10,293 | 6,691 | 87,161 | 78,324 |
| Supplies | 13,059 | 13,244 | 138 | 531 | 103 | 1,184 | 28,259 | 28,921 |
| Occupancy | 11,893 | 4,151 | 1,905 | 1,536 | 1,786 | 9,954 | 31,225 | 27,820 |
| Depreciation | 16,171 | 5,142 | 811 | 3,071 | 1,724 | 5,133 | 32,052 | 30,003 |
| Miscellaneous | 16,682 | 2,113 | 209 | 387 | 1,091 | 10,942 | 31,424 | 34,560 |
| Total operating expenses | 156,697 | 125,155 | 7,005 | 21,107 | 19,849 | 105,521 | 435,334 | 412,817 |
| OPERATING INCOME (LOSS) | 32,492 | (73,067) | 1,409 | (13,667) | 47,914 | (97,297) | (102,216) | (58,626) |
| **Nonoperating Revenues (Expenses):** | | | | | | | | |
| Intergovernmental | — | — | — | — | — | 6,197 | 6,197 | 4,660 |
| Interest | (20,683) | — | — | 63 | 1,274 | 1,928 | (17,418) | (15,386) |
| Fiscal charges | (281) | — | — | — | — | — | (281) | (153) |
| Refunding charges | — | — | — | — | — | — | — | (3,401) |
| Miscellaneous | — | — | — | — | — | 6,940 | 6,940 | 6,055 |
| Total nonoperating revenues (expenses) | (20,964) | — | — | 63 | 1,274 | 15,065 | (4,562) | (8,225) |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | 11,528 | (73,067) | 1,409 | (13,604) | 49,188 | (82,232) | (106,778) | (66,851) |
| **Operating Transfers In (Out):** | | | | | | | | |
| General Fund | — | 49,993 | — | 10,603 | (48,875) | 74,958 | 86,679 | 73,337 |
| **NET INCOME (LOSS)** | **11,528** | **(23,074)** | **1,409** | **(3,001)** | **313** | **(7,274)** | **(20,099)** | **6,486** |
| Depreciation closed to Contributed Capital | 3,061 | — | — | — | — | 5,133 | 8,194 | 7,675 |
| **INCREASE (DECREASE) IN RETAINED EARNINGS** | **14,589** | **(23,074)** | **1,409** | **(3,001)** | **313** | **(2,141)** | **(11,905)** | **14,161** |
| **Retained Earnings (Deficit) at October 1** | 113,658 | (15,043) | 1,289 | 9,747 | 2,135 | 19,014 | 130,800 | 116,639 |
| **Retained Earnings (Deficit) at September 30** | $128,247 | (38,117) | 2,698 | 6,746 | 2,448 | 16,873 | 118,895 | 130,800 |

Exhibit C-3

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF CASH FLOWS

### Year Ended September 30, 1990
### With Comparative Totals for Year Ended September 30, 1989
### ($000s)

| | Water and Sewer | General Hospital | Starplex | Convention Center | Lottery and Games | University | Totals 1990 | Totals 1989 |
|---|---|---|---|---|---|---|---|---|
| **Operating Activities:** | | | | | | | | |
| Cash receipts from customers: | $202,318 | 39,568 | 8,339 | 7,868 | 149,905 | 3,564 | 411,562 | 402,567 |
| Other cash receipts | 1,072 | 18,653 | 22 | — | — | 4,521 | 24,268 | 14,098 |
| Cash payments to vendors | (71,763) | (33,164) | (2,645) | (10,817) | (12,611) | (27,864) | (158,864) | (232,728) |
| Cash payments to employees | (51,092) | (87,727) | (2,989) | (7,790) | (4,786) | (71,350) | (225,734) | (208,895) |
| Other cash payments | (10,991) | (284) | (36) | — | (81,596) | (692) | (93,599) | (11,188) |
| Net cash provided (used) | 69,544 | (62,954) | 2,691 | (10,739) | 50,912 | (91,821) | (42,367) | (36,146) |
| **Capital and Related Financing Activities:** | | | | | | | | |
| Acquisitions of fixed assets | (35,254) | (167) | (1,356) | (57) | (804) | (1,968) | (39,606) | (47,939) |
| Proceeds of long term liabilities | 12,518 | — | — | — | — | — | 12,518 | 32,567 |
| Payments of long term liabilities | (11,998) | — | — | — | (1,135) | — | (13,133) | (32,502) |
| Payments of interest and charges | (22,625) | — | — | — | — | — | (22,625) | (32,922) |
| Contributions of capital | 11,641 | — | — | — | — | 1,968 | 13,609 | 17,283 |
| Collections of long term receivables | (1,551) | — | — | — | — | — | (1,551) | 4,922 |
| Net cash provided (used) | (47,269) | (167) | (1,356) | (57) | (1,939) | — | (50,788) | (58,591) |
| **Noncapital Financing Activities:** | | | | | | | | |
| Operating grant receipts | — | — | — | — | — | 12,043 | 12,043 | 10,380 |
| Operating transfers in | — | 49,993 | — | 10,603 | 8,600 | 74,958 | 144,154 | 127,337 |
| Operating transfers out | — | — | — | — | (57,475) | — | (57,475) | (54,000) |
| Net cash provided (used) | — | 49,993 | — | 10,603 | (48,875) | 87,001 | 98,722 | 83,717 |
| **Investing Activities:** | | | | | | | | |
| Receipts of interest and dividends | — | — | — | 63 | 1,274 | 1,928 | 3,265 | 4,718 |
| Net cash provided (used) | — | — | — | 63 | 1,274 | 1,928 | 3,265 | 4,718 |
| **INCREASE (DECREASE) IN CASH** | 22,275 | (13,128) | 1,335 | (130) | 1,372 | (2,892) | 8,832 | (6,302) |
| **Cash and Investments at October 1** | 80,852 | 13,143 | 6,466 | 516 | 3,571 | 30,623 | 135,171 | 141,473 |
| **Cash and Investments at September 30** | $103,127 | 15 | 7,801 | 386 | 4,943 | 27,731 | 144,003 | 135,171 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities:** | | | | | | | | |
| Operating income (loss) | $ 32,492 | (73,067) | 1,409 | (13,667) | 47,914 | (97,297) | (102,216) | (58,626) |
| Depreciation | 16,171 | 5,142 | 811 | 3,071 | 1,724 | 5,133 | 32,052 | 30,003 |
| Loss on dispositions of fixed assets | 56 | 420 | 103 | 34 | — | — | 613 | 427 |
| Decrease (increase) in assets: | | | | | | | | |
| Receivables | 7,404 | 566 | (64) | 240 | (1,287) | (273) | 6,586 | (10,960) |
| Allowance for uncollectibles | 1,407 | (3,109) | 11 | (30) | 772 | 134 | (815) | 5,943 |
| Inventories | 1,144 | (142) | — | — | (87) | — | 915 | 2,118 |
| Other current assets | — | — | 220 | 6 | 5 | (117) | 114 | (311) |
| Increase (decrease) in liabilities: | | | | | | | | |
| Payables | 2,693 | 7,352 | 436 | (256) | 1,087 | 477 | 11,789 | 682 |
| Accrued liabilities | 717 | — | — | (9) | 690 | — | 1,398 | 703 |
| Deferred revenue | 7,460 | (115) | — | 218 | 12 | — | 7,575 | (6,936) |
| Other current liabilities | — | (1) | (235) | (346) | 82 | 122 | (378) | 811 |
| Net cash provided (used) | $ 69,544 | (62,954) | 2,691 | (10,739) | 50,912 | (91,821) | (42,367) | (36,146) |
| Noncash contributions of capital | $ 17 | 17,255 | — | 583 | — | 2,212 | 20,067 | 9,042 |

## TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the District in a trustee capacity. Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments or other funds.

The **Housing Finance Trust Fund** is used to account for cash received from public and private sources to be used for increasing the supply and lowering the cost of money available for residential mortgages and construction loans in order to help alleviate the shortage of adequate housing. Mortgage lenders and the fund make mortgage, construction and rehabilitation loans for single and multifamily rental and home ownership units designed to expand available housing opportunities, achieve neighborhood and fiscal stability, and effect residential economic diversity. The fund is administered by a Housing Finance Agency Board of Directors comprised of five members appointed by the Mayor with the consent of the Council. The administrative costs of the agency are accounted for in the fund.

The **Unemployment Compensation Trust Fund** is used to account for the accumulation of resources to be used for benefit payments to unemployed former employees of the District and Federal governments and private employers in the District. Resources are contributed by private employers at rates fixed by law and by the District and Federal governments on a reimbursable basis. The fund is administered by the Office of Unemployment Compensation in the Department of Employment Services. The fund does not have a separate governing body. The administrative costs of the office are accounted for in the General Fund.

The **Pension Trust Funds** are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future for judges, police officers, fire fighters and public school teachers of the District. Resources are contributed by employees and by the District and Federal governments at amounts determined by an annual actuarial study and the Retirement Reform Act. The funds are administered by an eleven member Retirement Board, three of whom are appointed by the Mayor, two by the Council and one each by active and retired police officers, fire fighters and teachers. The administrative costs of the board are accounted for in the General Fund.

**Agency Funds** are used to account for compensation deferred by employees, refundable deposits required of various licensees, monies held in escrow and other assets held in custody by the District as an agent for individuals, private organizations, other governments or other funds.

Exhibit D-1

## TRUST AND AGENCY FUNDS

## COMBINING BALANCE SHEET

### September 30, 1990
### With Comparative Totals for September 30, 1989
### ($000s)

| | Trust | | | Agency | Totals | |
|---|---|---|---|---|---|---|
| | Expendable | | Pension | | | |
| | Housing Finance | Unemployment Compensation | | | 1990 | 1989 |
| **ASSETS** | | | | | | |
| **Restricted Assets:** | | | | | | |
| Cash and investments | $326,834 | 76,093 | 1,580,132 | 138,679 | 2,121,738 | 1,832,130 |
| Receivables: | | | | | | |
| Accounts | 5,849 | 11,632 | 2,505 | 5,660 | 25,646 | 25,978 |
| Loans | 230,626 | — | — | — | 230,626 | 219,415 |
| Intergovernmental | — | 224 | 487,253 | -- | 487,477 | 507,610 |
| Interfund | — | 1,302 | 1,518 | — | 2,820 | 20,073 |
| Prepaid charges | 7,209 | — | — | — | 7,209 | 7,083 |
| Other restricted assets | 894 | — | — | 6,631 | 7,525 | 3,442 |
| **Total assets** | $571,412 | 89,251 | 2,071,408 | 150,970 | 2,883,041 | 2,615,731 |
| **LIABILITIES AND FUND BALANCES** | | | | | | |
| **Liabilities Payable From Restricted Assets:** | | | | | | |
| Payables: | | | | | | |
| Accounts | $ 980 | 198 | 97,901 | 10,903 | 109,982 | 29,337 |
| Loans | 539,182 | — | — | — | 539,182 | 408,553 |
| Interfund | 8,954 | — | — | — | 8,954 | 8,041 |
| Deferred revenue | 4,574 | — | — | — | 4,574 | 4,287 |
| Other restricted liabilities | 10,564 | 2,444 | — | 140,067 | 153,075 | 136,820 |
| **Total liabilities** | 564,254 | 2,642 | 97,901 | 150,970 | 815,767 | 587,038 |
| **Fund Balances:** | | | | | | |
| Reserved for net restricted assets | 7,158 | 86,609 | 1,973,507 | — | 2,067,274 | 2,028,693 |
| **Total liabilities and fund balances** | $571,412 | 89,251 | 2,071,408 | 150,970 | 2,883,041 | 2,615,731 |

Exhibit D-2

## EXPENDABLE TRUST FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### Year Ended September 30, 1990
### With Comparative Totals for Year Ended September 30, 1989
### ($000s)

| | Housing Finance | Unemployment Compensation | Totals 1990 | Totals 1989 |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Benefit contributions | $ — | 89,238 | 89,238 | 78,009 |
| Miscellaneous: | | | | |
| Investment income | 17,127 | — | 17,127 | 13,909 |
| Interest on loans | 22,052 | — | 22,052 | 20,722 |
| Operating grants | 12,760 | — | 12,760 | 10,755 |
| Total revenues | 51,939 | 89,238 | 141,177 | 123,395 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Economic development and regulation: | | | | |
| Personal services | 1,694 | — | 1,694 | 1,608 |
| Public assistance | 10,005 | — | 10,005 | 9,943 |
| Other | 2,136 | — | 2,136 | 1,918 |
| Interest | 35,041 | — | 35,041 | 34,216 |
| Human support services: | | | | |
| Benefit payments | — | 89,779 | 89,779 | 82,077 |
| Total expenditures | 48,876 | 89,779 | 138,655 | 129,762 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 3,063 | (541) | 2,522 | (6,367) |
| **Other Financing Sources:** | | | | |
| Operating transfers in: | | | | |
| General Fund | 778 | — | 778 | 29 |
| **EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES** | **3,841** | **(541)** | **3,300** | **(6,338)** |
| **Fund Balances at October 1** | 3,317 | 87,150 | 90,467 | 96,805 |
| **Fund Balances at September 30** | $ 7,158 | 86,609 | 93,767 | 90,467 |

Exhibit D-3

## PENSION TRUST FUNDS

## COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

### Years Ended September 30, 1990 and 1989
### ($000s)

| | 1990 | 1989 |
|---|---|---|
| **Operating Revenues:** | | |
| Benefit contributions | $ 257,270 | 229,149 |
| Miscellaneous: | | |
| Interest and dividends | 124,313 | 119,023 |
| Gains (losses) on investments | (117,050) | 130,218 |
| Total operating revenues | 264,533 | 478,390 |
| **Operating Expenses:** | | |
| Benefit payments | 224,091 | 207,310 |
| INCOME BEFORE OPERATING TRANSFERS | 40,442 | 271,080 |
| **Operating Transfers In (Out):** | | |
| General Fund | (5,161) | (4,902) |
| **NET INCOME** | **35,281** | **266,178** |
| **Fund Balances at October 1** | **1,938,226** | **1,672,048** |
| **Fund Balances at September 30** | **$1,973,507** | **1,938,226** |

Exhibit D-4

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### Year Ended September 30, 1990
### ($000s)

| | Balance October 1, 1989 | Additions | Deductions | Balance September 30, 1990 |
|---|---|---|---|---|
| **Deferred Compensation Fund** | | | | |
| **ASSETS** | | | | |
| **Restricted Assets:** | | | | |
| Cash and investments | $ 55,343 | 35,686 | 12,652 | 78,377 |
| **Total assets** | $ 55,343 | 35,686 | 12,652 | 78,377 |
| **LIABILITIES** | | | | |
| **Liabilities Payable From Restricted Assets:** | | | | |
| Other restricted liabilities | $ 55,343 | 49,845 | 26,811 | 78,377 |
| **Total liabilities** | $ 55,343 | 49,845 | 26,811 | 78,377 |
| **Other Agency Funds** | | | | |
| **ASSETS** | | | | |
| **Restricted Assets:** | | | | |
| Cash and investments | $ 68,746 | 51,710 | 60,154 | 60,302 |
| Accounts receivable | 6,327 | 71,599 | 72,266 | 5,660 |
| Other restricted assets | 3,349 | 29,848 | 26,566 | 6,631 |
| **Total assets** | $ 78,422 | 153,157 | 158,986 | 72,593 |
| **LIABILITIES** | | | | |
| **Liabilities Payable From Restricted Assets:** | | | | |
| Accounts payable | $ 10,361 | 10,170 | 9,628 | 10,903 |
| Other restricted liabilities | 68,061 | 24,518 | 30,889 | 61,690 |
| **Total liabilities** | $ 78,422 | 34,688 | 40,517 | 72,593 |
| **Totals** | | | | |
| **ASSETS** | | | | |
| **Restricted Assets:** | | | | |
| Cash and investments | $124,089 | 87,396 | 72,806 | 138,679 |
| Accounts receivable | 6,327 | 71,599 | 72,266 | 5,660 |
| Other restricted assets | 3,349 | 29,848 | 26,566 | 6,631 |
| **Total assets** | $133,765 | 188,843 | 171,638 | 150,970 |
| **LIABILITIES** | | | | |
| **Liabilities Payable From Restricted Assets:** | | | | |
| Accounts payable | $ 10,361 | 10,170 | 9,628 | 10,903 |
| Other restricted liabilities | 123,404 | 74,363 | 57,700 | 140,067 |
| **Total liabilities** | $133,765 | 84,533 | 67,328 | 150,970 |

Exhibit E-1

## GOVERNMENTAL, EXPENDABLE TRUST AND PROPRIETARY FUNDS

## COMPARATIVE SCHEDULES OF FINANCIAL ACTIVITY

### Years Ended September 30, 1990 and 1989
($000s)

| | 1990 | | | | | 1989 | | Difference | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross Cost | Related Resources District | Related Resources Federal | Net Cost | % of Revenue | Net Cost | % of Revenue | Better or (Worse) Amount | Better or (Worse) % |
| **General Revenues:** | | | | | | | | | |
| Sovereign: | | | | | | | | | |
| Taxes | $ — | 2,279,127 | — | $2,279,127 | 76.9% | $2,204,598 | 77.9% | $ 74,529 | 3.4% |
| Licenses and permits | — | 32,285 | — | 32,285 | 1.1 | 33,069 | 1.2 | (784) | (2.4) |
| Fines and forfeits | — | 48,542 | — | 48,542 | 1.6 | 45,511 | 1.6 | 3,031 | 6.7 |
| Miscellaneous: | | | | | | | | | |
| Interest | — | 24,995 | — | 24,995 | 0.8 | 21,488 | 0.8 | 3,507 | 16.3 |
| Other | — | 73,436 | — | 73,436 | 2.5 | 72,002 | 2.5 | 1,434 | 2.0 |
| Intergovernmental: | | | | | | | | | |
| Payment in lieu of taxes | — | — | 506,966 | 506,966 | 17.1 | 453,800 | 16.0 | 53,166 | 11.7 |
| Total general revenues | — | 2,458,385 | 506,966 | 2,965,351 | 100.0 | 2,830,468 | 100.0 | 134,883 | 4.8 |
| **Cost of Operating:** | | | | | | | | | |
| Governmental and trust: | | | | | | | | | |
| Direction and interest | 318,533 | 5,750 | 26 | 312,757 | 10.5 | 324,804 | 11.5 | 12,047 | 3.7 |
| Economic development | 324,101 | 90,548 | 115,136 | 118,417 | 4.0 | 130,034 | 4.6 | 11,617 | 8.9 |
| Public safety and justice | 1,040,924 | 10,336 | 3,561 | 1,027,027 | 34.6 | 914,637 | 32.3 | (112,390) | (12.3) |
| Public education | 713,372 | 4,000 | 54,485 | 654,887 | 22.1 | 600,655 | 21.2 | (54,232) | (9.0) |
| Human support services | 1,302,149 | 104,330 | 399,001 | 798,818 | 26.9 | 714,239 | 25.2 | (84,579) | (11.8) |
| Public works | 287,094 | 65,767 | 3,148 | 218,179 | 7.4 | 205,733 | 7.3 | (12,446) | (6.0) |
| Proprietary: | | | | | | | | | |
| Water and sewer | 177,661 | 189,189 | — | (11,528) | (0.4) | (21,709) | (0.8) | (10,181) | (46.9) |
| General hospital | 125,155 | 52,088 | — | 73,067 | 2.5 | 51,569 | 1.8 | (21,498) | (41.7) |
| Starplex | 7,005 | 8,414 | — | (1,409) | — | (950) | — | 459 | 48.3 |
| Convention center | 21,107 | 7,503 | — | 13,604 | 0.5 | 10,485 | 0.4 | (3,119) | (29.7) |
| Lottery and games | 19,849 | 69,037 | — | (49,188) | (1.7) | (53,335) | (1.9) | (4,147) | (7.8) |
| University | 105,521 | 17,092 | 6,197 | 82,232 | 2.8 | 80,791 | 2.9 | (1,441) | (1.8) |
| Depreciation | (32,052) | — | — | (32,052) | (1.1) | (30,003) | (1.1) | 2,049 | 6.8 |
| Net cost of operating | 4,410,419 | 624,054 | 581,554 | 3,204,811 | 108.1 | 2,926,950 | 103.4 | (277,861) | (9.5) |
| CURRENT INCOME (LOSS) | 4,410,419 | 3,082,439 | 1,088,520 | (239,460) | (8.1) | (96,482) | (3.4) | (142,978) | (148.2) |
| **Cost of Investing (Financing):** | | | | | | | | | |
| Long term assets | — | 1,562 | — | (1,562) | (0.1) | (22) | — | 1,540 | 7,000.0 |
| Fixed assets | 389,252 | 22,372 | 105,787 | 261,093 | 8.8 | 197,034 | 7.0 | (64,059) | (32.5) |
| Long term liabilities | 98,055 | 351,290 | — | (253,235) | (8.5) | (121,256) | (4.3) | 131,979 | 108.8 |
| Net cost of investing | 487,307 | 375,224 | 105,787 | 6,296 | 0.2 | 75,756 | 2.7 | 69,460 | 91.7 |
| FINANCIAL FLOW IN (OUT) | 4,897,726 | 3,457,663 | 1,194,307 | (245,756) | (8.3) | (172,238) | (6.1) | (73,518) | (42.7) |
| **Reclassification to GAAP Basis:** | | | | | | | | | |
| Employee benefits | 234,595 | — | — | 234,595 | 7.9 | 169,653 | 6.0 | (64,942) | (38.3) |
| Depreciation | (23,858) | — | — | (23,858) | (0.8) | (22,328) | (0.8) | 1,530 | 6.9 |
| Long term assets | — | 1,562 | — | (1,562) | — | (22) | — | 1,540 | 7,000.0 |
| Fixed assets | 59,653 | 22,372 | 13,037 | 24,244 | 0.8 | 21,816 | 0.8 | (2,428) | (11.1) |
| Long term liabilities | 13,133 | 12,518 | — | 615 | — | (1,478) | (0.1) | (2,093) | (141.6) |
| Total reduction | 283,523 | 36,452 | 13,037 | 234,034 | 7.9 | 167,641 | 5.9 | (66,393) | (39.6) |
| **INCREASE (DECREASE) IN RETAINED CAPITAL** | **$4,614,203** | **3,421,211** | **1,181,270** | **(11,722)** | **(0.4)** | **(4,597)** | **(0.2)** | **(7,125)** | **(155.0)** |
| **Retained Capital at October 1** | | | | **44,453** | **1.5** | **49,050** | **1.7** | **(4,597)** | **(9.4)** |
| **Retained Capital at September 30** | | | | **$ 32,731** | **1.1%** | **$ 44,453** | **1.5%** | **$ (11,722)** | **(26.4)%** |

This schedule excludes Pension Trust Funds.

# STATISTICAL SECTION

This section contains tables which differ from financial statements because they usually cover more than two fiscal years and may present nonaccounting data. Statistical tables reflect social and economic data, financial trends and the fiscal capacity of the District.

Exhibit S-1

## GENERAL FUND REVENUES BY SOURCE

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Taxes | Licenses and Permits | Fines and Forfeits | Charges for Services | Miscellaneous | Total District Revenues | Intergovernmental Payments | Intergovernmental Grants | Total (Exhibit A-2) | Excess (Deficiency) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1981 | $1,078,830 | 29,245 | 23,478 | 73,418 | 28,944 | 1,233,915 | 304,684 | 373,720 | 1,912,319 | 68,300 |
| 1982 | 1,173,725 | 29,661 | 22,124 | 68,491 | 18,033 | 1,312,034 | 336,600 | 347,990 | 1,996,624 | 13,061 |
| 1983 | 1,295,927 | 29,728 | 22,658 | 122,239 | 20,465 | 1,491,017 | 364,143 | 389,587 | 2,244,747 | 12,886 |
| 1984 | 1,398,812 | 30,338 | 23,343 | 115,556 | 21,402 | 1,589,451 | 417,222 | 396,322 | 2,402,995 | 17,460 |
| 1985 | 1,536,027 | 31,460 | 29,214 | 97,576 | 29,976 | 1,724,253 | 471,353 | 438,340 | 2,633,946 | 24,926 |
| 1986 | 1,684,535 | 31,850 | 39,528 | 117,585 | 34,897 | 1,908,395 | 459,265 | 456,421 | 2,815,081 | 20,053 |
| 1987 | 1,873,667 | 31,907 | 38,569 | 134,531 | 24,076 | 2,102,750 | 479,500 | 473,157 | 3,055,407 | 20,288 |
| 1988 | 2,021,912 | 31,601 | 41,594 | 124,943 | 129,664 | 2,349,714 | 459,500 | 555,197 | 3,364,411 | (14,279) |
| 1989 | 2,204,598 | 33,069 | 45,511 | 125,756 | 93,490 | 2,502,424 | 453,800 | 532,967 | 3,489,191 | 5,469 |
| 1990 | 2,279,127 | 32,285 | 48,542 | 139,554 | 98,431 | 2,597,939 | 506,966 | 575,357 | 3,680,262 | (118,186) |

Exhibit S-2

## GENERAL FUND EXPENDITURES AND USES BY FUNCTION

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Governmental Direction | Economic Development | Public Safety | Public Education | Human Services | Public Works | Employee Benefits | Debt Service | Financing Uses | Total (Exhibit A-2) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1981 | $ 75,509 | 96,807 | 450,526 | 397,944 | 645,192 | 153,868 | (210,986) | 123,772 | 111,387 | 1,844,019 |
| 1982 | 63,509 | 92,250 | 487,119 | 417,778 | 605,205 | 172,628 | (101,181) | 137,787 | 108,468 | 1,983,563 |
| 1983 | 55,196 | 118,315 | 562,178 | 448,763 | 718,348 | 250,227 | (165,259) | 153,217 | 90,876 | 2,231,861 |
| 1984 | 110,220 | 155,942 | 620,122 | 469,719 | 753,518 | 219,658 | (204,517) | 164,104 | 96,769 | 2,385,535 |
| 1985 | 120,473 | 198,209 | 685,091 | 490,561 | 776,318 | 231,503 | (156,987) | 177,802 | 86,050 | 2,609,020 |
| 1986 | 123,759 | 211,038 | 743,224 | 507,003 | 875,757 | 238,624 | (181,402) | 188,049 | 88,976 | 2,795,028 |
| 1987 | 136,320 | 239,248 | 813,947 | 554,411 | 954,434 | 250,667 | (210,156) | 201,824 | 94,424 | 3,035,119 |
| 1988 | 148,194 | 251,594 | 886,537 | 627,393 | 1,258,995 | 265,980 | (353,854) | 217,329 | 76,522 | 3,378,690 |
| 1989 | 147,014 | 258,969 | 928,983 | 658,857 | 1,097,031 | 270,089 | (169,653) | 228,848 | 63,584 | 3,483,722 |
| 1990 | 153,766 | 275,225 | 1,040,924 | 713,372 | 1,212,370 | 287,094 | (234,595) | 254,850 | 95,442 | 3,798,448 |

Exhibit S-3

## GENERAL FUND TAX REVENUES BY SOURCE

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Property | | | Sales and Use | | Income and Franchise | | Gross Receipts | Other Taxes | Total (Exhibit A-3) |
|---|---|---|---|---|---|---|---|---|---|---|
| | Real | Personal | Rental | General | Selective | Individual | Business | | | |
| 1981 | $234,300 | 24,800 | 25 | 237,200 | 140,027 | 243,700 | 63,600 | 95,005 | 40,173 | 1,078,830 |
| 1982 | 297,000 | 28,100 | 1,025 | 248,900 | 51,825 | 329,400 | 80,500 | 99,030 | 37,945 | 1,173,725 |
| 1983 | 332,900 | 32,900 | 2,395 | 271,900 | 59,669 | 352,800 | 86,400 | 107,007 | 49,956 | 1,295,927 |
| 1984 | 359,411 | 36,254 | 1,784 | 296,956 | 68,631 | 386,635 | 93,818 | 98,449 | 56,874 | 1,398,812 |
| 1985 | 407,289 | 43,496 | 4,312 | 331,735 | 71,008 | 417,509 | 107,111 | 91,445 | 62,122 | 1,536,027 |
| 1986 | 437,315 | 46,766 | 4,768 | 361,031 | 71,938 | 444,824 | 151,140 | 93,799 | 72,954 | 1,684,535 |
| 1987 | 480,479 | 55,362 | 5,370 | 381,707 | 77,711 | 513,201 | 169,587 | 99,786 | 90,464 | 1,873,667 |
| 1988 | 544,247 | 58,411 | 6,767 | 390,646 | 78,296 | 592,828 | 151,498 | 103,285 | 95,934 | 2,021,912 |
| 1989 | 638,218 | 63,404 | 9,144 | 428,763 | 78,406 | 603,469 | 156,414 | 136,680 | 90,100 | 2,204,598 |
| 1990 | 664,591 | 62,584 | 9,963 | 486,557 | 80,266 | 637,910 | 139,741 | 127,573 | 89,942 | 2,279,127 |

Exhibit S-4

## GENERAL FUND CURRENT EXPENDITURES BY OBJECT

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Personal Services | Employee Benefits | Contractual Services | Supplies | Occupancy | Miscellaneous | | Total (Exhibit A-5) | Balance (Deficit) | Equity Transfers |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Assistance | Other | | | |
| 1981 | $1,100,229 | (210,986) | 129,109 | 34,617 | 77,182 | * | 478,709 | 1,608,860 | (309,510) | — |
| 1982 | 1,075,596 | (101,181) | 125,852 | 40,835 | 80,717 | * | 515,489 | 1,737,308 | (300,206) | (3,757) |
| 1983 | 1,254,627 | (165,259) | 149,121 | 51,007 | 94,380 | * | 603,892 | 1,987,768 | (287,320) | — |
| 1984 | 1,363,302 | (204,517) | 111,453 | 51,528 | 100,053 | * | 702,843 | 2,124,662 | (269,860) | — |
| 1985 | 1,301,864 | (156,987) | 168,829 | 58,214 | 105,589 | 407,000 | 460,659 | 2,345,168 | (244,934) | — |
| 1986 | 1,512,300 | (181,402) | 202,365 | 58,932 | 95,349 | 425,000 | 405,459 | 2,518,003 | (224,881) | — |
| 1987 | 1,667,225 | (210,156) | 229,322 | 64,478 | 103,040 | 445,700 | 439,262 | 2,738,871 | (204,593) | — |
| 1988 | 2,033,283 | (353,854) | 294,260 | 75,908 | 114,741 | 502,614 | 417,887 | 3,084,839 | (218,872) | — |
| 1989 | 1,958,569 | (169,653) | 287,193 | 80,393 | 117,630 | 522,598 | 394,560 | 3,191,290 | (213,403) | — |
| 1990 | 2,136,408 | (234,595) | 305,869 | 90,864 | 126,687 | 569,369 | 453,554 | 3,448,156 | (331,589) | — |

* Included in Other.

Exhibit S-5

## REAL PROPERTY TAX LEVIES AND COLLECTIONS

### Last Ten Tax Years
### ($000s)

| Property Tax Year* | Tax Levy | Tax Collections | | | Percent of Collections to Levy | | Delinquent Taxes | |
|---|---|---|---|---|---|---|---|---|
| | | Current | Delinquent | Total | Current | Total | Outstanding | Percent to Levy |
| 1981 | $230,367 | 224,573 | 3,900 | 228,473 | 97.5% | 99.2% | $10,950 | 4.8% |
| 1982 | 281,137 | 274,898 | 4,217 | 279,115 | 97.8 | 99.3 | 8,856 | 3.2 |
| 1983 | 334,667 | 326,252 | 6,353 | 332,605 | 97.5 | 99.4 | 10,271 | 3.1 |
| 1984 | 346,839 | 340,990 | 5,249 | 346,239 | 98.3 | 99.8 | 12,903 | 3.7 |
| 1985 | 392,635 | 383,763 | 5,237 | 389,000 | 97.7 | 99.1 | 14,809 | 3.8 |
| 1986 | 416,389 | 410,668 | 9,311 | 419,979 | 98.6 | 100.9 | 13,799 | 3.3 |
| 1987 | 469,219 | 459,716 | 8,025 | 467,741 | 98.0 | 99.7 | 15,036 | 3.2 |
| 1988 | 509,747 | 501,424 | 12,005 | 513,429 | 98.4 | 100.7 | 9,361 | 1.8 |
| 1989 | 593,469 | 589,316 | 10,779 | 600,095 | 99.3 | 101.1 | 2,889 | 0.5 |
| 1990 | 648,568 | 624,345 | 20,744 | 645,089 | 96.3 | 99.5 | 7,770 | 1.2 |

* Property tax year is from July 1 to June 30. Taxes are payable in two equal installments on September 15 and March 31. Fiscal year is from October 1 to September 30.

**Source:** Department of Finance and Revenue.

Exhibit S-6

## MAJOR TAX RATES

### Last Ten Fiscal Years

| Fiscal Year | Property (1) | | | | | Personal | Sales and Use | | | | Income and Franchise (5) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Real | | | | | | General | Selective | | | | |
| | Residential | | Commercial | | | | | Alcoholic | | | | |
| | Owner-Occupied | Tenant-Occupied | Hotels | Improved | Unimproved | | (2) | Beer (3) | Spirits (4) | Motor Fuel (4) | Individual | Business |
| 1981 | $1.22 | 1.54 | 2.13 | 2.13 | 2.13 | 3.10 | .06 | 2.25 | 1.50 | .130 | .020-.110 | .0990 |
| 1982 | | | | | | | | | | .140 | | |
| 1983 | | | | | | | | | | .148 | | |
| 1984 | | | | | | | | | | .155 | | |
| 1985 | | | 1.82 | 2.03 | 2.03 | | | | | | | .1050 |
| 1986 | | | | | | | | | | | | |
| 1987 | | | | | | | | | | | .060-.100 | |
| 1988 | | | | | | | | | | | .060-.095 | .1025 |
| 1989 | | | | | | | | 2.79 | | .180 | | |
| 1990 | .96 | | 1.85 | 2.15 | 3.29 | | | | | | | |

**Units:** (1) Per $100 of assessed value. (2) Per $1 of sales. (3) Per barrel. (4) Per gallon. (5) Per $1 of taxable income.

**Source:** Department of Finance and Revenue.

**Exhibit S-7**

## ASSESSED VALUE, CONSTRUCTION AND BANK DEPOSITS

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Assessed Value of Property (1) | | | | Commercial Construction | | Residential Construction | | Bank Deposits (3) |
|---|---|---|---|---|---|---|---|---|---|
| | Commercial | Residential (2) | Total Taxable | Tax Exempt | Number of Units | Value | Number of Units | Value | |
| 1981 | $ 4,981,000 | 8,984,000 | 13,965,000 | 13,407,000 | 56 | $180,747 | 1,172 | $30,002 | 5,781,615 |
| 1982 | 6,505,200 | 11,494,800 | 18,000,000 | 14,954,000 | 52 | 328,093 | 441 | 15,920 | 6,117,083 |
| 1983 | 8,038,700 | 12,055,300 | 20,094,000 | 20,062,000 | 93 | 497,614 | 608 | 38,072 | 7,329,039 |
| 1984 | 8,865,100 | 11,859,000 | 20,724,100 | 20,531,000 | 183 | 639,670 | 475 | 25,725 | 8,091,000 |
| 1985 | 11,321,600 | 12,124,600 | 23,446,200 | 22,152,700 | 153 | 304,925 | 628 | 30,331 | 9,059,000 |
| 1986 | 11,958,000 | 13,049,000 | 25,007,000 | 22,585,000 | 206 | 436,924 | 992 | 61,123 | 9,353,850 |
| 1987 | 14,130,500 | 14,002,800 | 28,133,300 | 23,115,300 | 131 | 640,294 | 1,249 | 171,490 | 10,070,904 |
| 1988 | 16,424,500 | 15,259,700 | 31,684,200 | 24,058,600 | 386 | 706,020 | 576 | 91,603 | 11,210,442 |
| 1989 | 19,492,000 | 15,826,000 | 35,318,000 | 26,747,400 | 349 | 594,297 | 536 | 102,869 | 11,881,261 |
| 1990 | 21,794,217 | 17,214,433 | 39,008,650 | 28,764,776 | 111 | 915,113 | 191 | 49,440 | 12,515,450 |

(1) Assessed value is 100 percent of estimated actual value.

(2) Homestead exemptions have not been deducted from these amounts.

**Sources:** (3) FDIC *Summary of Deposits* in all commercial banks.
Department of Finance and Revenue.

**Exhibit S-8**

## TEN HIGHEST ASSESSED VALUES FOR TAX EXEMPT PROPERTIES

### July 1, 1990

| Property* | Value |
|---|---|
| George Washington University and Hospital | $560,567,534 |
| The International Bank for Reconstruction and Development | 502,255,320 |
| Howard University and Hospital | 362,897,954 |
| Georgetown University and Hospital | 309,321,284 |
| American University | 189,231,280 |
| Washington Hospital Center | 186,915,218 |
| Inter-American Development Bank | 179,774,000 |
| International Monetary Fund | 170,138,300 |
| National Geographic Society | 137,896,933 |
| National Cathedral | 124,090,437 |

* Excludes Federal government property.

**Source:** Department of Finance and Revenue.

Exhibit S-9

## TEN HIGHEST ASSESSED VALUES FOR COMMERCIAL PROPERTIES

July 1, 1990

| Squares | Lots | Building | Land | Improvements | Total |
|---|---|---|---|---|---|
| 106 | 049 | 1835 I Street, N.W. | $111,003,082 | 178,996,918 | 290,000,000 |
| 163 | 055 | 1050 Connecticut Avenue, N.W. | 101,940,378 | 150,651,622 | 252,592,000 |
| 348 | 832-834 | 1001 Pennsylvania Avenue, N.W. | 97,018,410 | 152,456,590 | 249,475,000 |
| 403 | 834-835 | 800 K Street, N.W. | 80,957,120 | 158,790,982 | 239,748,102 |
| 254 | 837 | 1331 Pennsylvania Avenue, N.W. | 102,020,010 | 111,098,099 | 213,118,109 |
| 1173 | 820 | 3000 K Street, N.W. | 36,782,424 | 148,772,576 | 185,555,000 |
| 408 | 830-831 | 701-801 Pennsylvania Avenue, N.W. | 63,957,738 | 114,498,304 | 178,456,042 |
| 224 | 022 | 655 15th Street, N.W. | 68,894,640 | 98,792,360 | 167,687,000 |
| 290 | 043 | 655 13th Street, N.W. | 52,879,050 | 100,905,600 | 153,784,650 |
| 107 | 075 | 1801 K Street, N.W. | 73,957,000 | 55,408,981 | 129,365,981 |

**Source:** Department of Finance and Revenue.

Exhibit S-10

## TEN HIGHEST ASSESSED VALUES FOR RESIDENTIAL PROPERTIES

July 1, 1990

| Squares | Lots | Location | Land | Improvements | Total |
|---|---|---|---|---|---|
| 1346 | 003, 004, 801-803 | 1801 Foxhall Road, N.W. | $12,082,802 | 909,137 | 12,991,939 |
| 2630 | 819 | 1940 Shepherd Street, N.W. | 6,586,098 | 3,377,813 | 9,963,911 |
| 1341 | 856,858, 859, 861 | 2209 Foxhall Road, N.W. | 7,710,360 | 500,000 | 8,210,360 |
| 1285 | 812, 803-805 | 1623 28th Street, N.W. | 3,175,608 | 3,325,555 | 6,501,163 |
| 1341 | 857 | 2401 Foxhall Road, N.W. | 4,895,247 | 1,542,905 | 6,438,152 |
| 2198 | 014 | 2929 Massachusetts Avenue, N.W. | 902,471 | 4,318,717 | 5,221,188 |
| 2199 | 025 | 2501 30th Street, N.W. | 726,004 | 4,486,496 | 5,212,500 |
| 2140 | 044 | 2840 Woodland Drive, N.W. | 1,780,617 | 3,219,383 | 5,000,000 |
| 2515 | 816, 817 | 2145 Decatur Street, N.W. | 1,301,460 | 3,066,546 | 4,368,006 |
| 1284 | 807 | 1617 29th Street, N.W. | 1,858,771 | 2,372,069 | 4,230,840 |

**Source:** Department of Finance and Revenue.

Exhibit S-11

## COMPUTATION OF LEGAL DEBT LIMITATION

### Last Two Fiscal Years
### ($000s)

| | 1990 | 1989 |
|---|---|---|
| **Revenues:** | | |
| General Fund: | | |
| District revenues (Exhibit S-1) | $2,597,939 | 2,502,424 |
| Payment in lieu of taxes (Exhibit S-1) | 506,966 | 453,800 |
| Water and Sewer Fund (Exhibit C-2) | 189,189 | 196,830 |
| | 3,294,094 | 3,153,054 |
| Less- court fees (Exhibit A-3) | 4,470 | 4,565 |
| **Total revenues** | **$3,289,624** | **3,148,489** |
| **Principal and Interest:** | | |
| General Fund: | | |
| Principal (Exhibit S-13) | $ 84,922 | 71,743 |
| Interest (Exhibit S-13) | 162,050 | 153,555 |
| Water and Sewer Fund: | | |
| Principal matured (Note 6A) | 11,511 | 12,492 |
| Interest expense (Exhibit C-2) | 20,683 | 20,104 |
| Interest capitalized (Note 5B) | 1,673 | 2,104 |
| **Total principal and interest** | **$ 280,839** | **259,998** |
| **Percent of Principal and Interest to Revenues*** | **8.5%** | **8.3%** |

* Under the District of Columbia Self-Government and Governmental Reorganization Act, no long term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long term general obligation debt to exceed 14 percent of the revenues of the fiscal year in which the debt is issued.

Exhibit S-12

## PERCENT OF DEBT TO ASSESSED VALUE AND DEBT PER CAPITA

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Population (Exhibit S-14) | General Obligation Debt (Note 6A) (1) | | | Assessed Value (Exhibit S-7) | Percent of Debt to Assessed Value | Debt per Capital (3) |
|---|---|---|---|---|---|---|---|
| | | Enterprise (2) | General | Total | | | |
| 1981 | 632,000 | $170,017 | 1,403,744 | 1,573,761 | 13,965,000 | 11.3% | $2,490 |
| 1982 | 626,000 | 187,175 | 1,502,825 | 1,690,000 | 18,000,000 | 9.4 | 2,700 |
| 1983 | 624,000 | 235,069 | 1,589,485 | 1,824,554 | 20,094,000 | 9.1 | 2,924 |
| 1984 | 623,000 | 261,229 | 1,646,633 | 1,907,862 | 20,724,100 | 9.2 | 3,062 |
| 1985 | 623,000 | 278,224 | 1,781,265 | 2,059,489 | 23,446,200 | 8.8 | 3,306 |
| 1986 | 625,000 | 297,249 | 1,952,196 | 2,249,445 | 25,007,000 | 9.0 | 3,599 |
| 1987 | 622,000 | 295,357 | 2,074,333 | 2,369,690 | 28,133,300 | 8.4 | 3,810 |
| 1988 | 613,000 | 302,802 | 2,116,088 | 2,418,890 | 31,684,200 | 7.6 | 3,946 |
| 1989 | 604,000 | 299,636 | 2,235,866 | 2,535,502 | 35,318,000 | 7.2 | 4,198 |
| 1990 | 609,900 | 300,643 | 2,489,716 | 2,790,359 | 39,008,650 | 7.2 | 4,575 |

(1) There is no revenue, special assessment or overlapping debt.

(2) A portion of the general obligation debt was incurred for the benefit of the Water and Sewer Enterprise Fund which services that debt as a matter of discretionary financial policy. The fund is not a legal entity and is not a party to the debt instruments.

(3) These amounts are expressed in dollars.

Exhibit S-13

## PERCENT OF DEBT SERVICE TO GENERAL FUND EXPENDITURES

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Debt Service (Exhibit A-2) | | | | General Fund Expenditures (Exhibit S-2) | Percent of Debt Service to General Fund Expenditures |
|---|---|---|---|---|---|---|
| | Principal | Interest | Fiscal Charges | Total | | |
| 1981 | $22,729 | 101,043 | — | 123,772 | 1,844,019 | 6.7% |
| 1982 | 25,419 | 112,368 | — | 137,787 | 1,983,563 | 6.9 |
| 1983 | 26,340 | 126,877 | — | 153,217 | 2,231,861 | 6.9 |
| 1984 | 27,852 | 136,252 | — | 164,104 | 2,385,535 | 6.9 |
| 1985 | 30,089 | 140,373 | 7,340 | 177,802 | 2,609,020 | 6.8 |
| 1986 | 39,505 | 145,104 | 3,440 | 188,049 | 2,795,028 | 6.7 |
| 1987 | 53,416 | 145,495 | 2,913 | 201,824 | 3,035,119 | 6.6 |
| 1988 | 66,630 | 148,783 | 1,916 | 217,329 | 3,378,690 | 6.4 |
| 1989 | 71,743 | 153,555 | 3,550 | 228,848 | 3,483,722 | 6.6 |
| 1990 | 84,922 | 162,050 | 7,878 | 254,850 | 3,798,448 | 6.7 |

Exhibit S-14

## DEMOGRAPHIC STATISTICS

### Last Ten Fiscal Years

| Fiscal Year | Population (1) | Per Capita Income (2) | Median Age | Hospital Patient-Days | Schools | | University | | Employment | Unemployment Rate |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Students | Teachers | Students | Graduates | | |
| 1981 | 632,000 | $14,104 | 30.1 | * | 94,975 | * | * | * | 611,000 | 9.0% |
| 1982 | 626,000 | 14,995 | 30.6 | 131,684 | 91,828 | 5,047 | 8,593 | * | 597,900 | 10.6 |
| 1983 | 624,000 | 15,721 | 30.9 | 137,820 | 89,491 | 5,664 | 8,351 | 1,033 | 596,600 | 11.7 |
| 1984 | 623,000 | 16,660 | 31.4 | 127,192 | 87,927 | 5,654 | 7,825 | 926 | 613,800 | 9.0 |
| 1985 | 623,000 | 17,974 | 31.8 | 125,134 | 87,677 | 5,758 | 7,411 | 924 | 629,000 | 8.4 |
| 1986 | 625,000 | 19,071 | 32.7 | 118,735 | 86,893 | 5,871 | 6,869 | 909 | 640,000 | 7.7 |
| 1987 | 622,000 | 20,303 | 33.0 | 121,927 | 87,955 | 6,285 | 5,819 | 912 | 655,600 | 6.3 |
| 1988 | 613,000 | 21,667 | 33.3 | 124,579 | 85,306 | 6,588 | 6,711 | 965 | 673,100 | 5.0 |
| 1989 | 604,000 | 23,436 | * | 135,757 | 81,301 | 6,655 | 7,089 | 889 | 682,500 | 5.0 |
| 1990 | 609,900 | * | * | * | * | * | 7,222 | 865 | 681,400 | 6.6 |

* Not available.

**Sources:** (1) Federal Bureau of the Census.

(2) Federal Department of Commerce, Bureau of Economic Analysis.

Exhibit S-15

## MISCELLANEOUS STATISTICS

### Last Two Fiscal Years

| | 1990 | 1989 |
|---|---|---|
| **Area (square miles):** | | |
| Federal and foreign governments | 23.9 | 23.8 |
| District government | 2.6 | 2.6 |
| Streets and alleys | 15.5 | 15.5 |
| Taxable base | 19.9 | 20.0 |
| Total area | 61.9 | 61.9 |
| **Employees (authorized, permanent, full-time):** | | |
| Governmental direction | 1,999 | 2,051 |
| Economic development | 1,266 | 1,222 |
| Public safety and justice | 12,401 | 11,290 |
| Education and libraries | 9,983 | 11,663 |
| Human services and recreation | 5,004 | 5,044 |
| Public works | 2,904 | 3,126 |
| Total employees | 33,557 | 34,396 |
| **Police Protection:** | | |
| Number of stations | 13 | 13 |
| Number of police officers | 4,686 | 3,951 |
| Crime index offenses | 64,879 | 62,937 |
| **Fire Protection:** | | |
| Number of stations | 33 | 34 |
| Number of fire fighters | 1,279 | 1,336 |
| **Transportation:** | | |
| Number of street lights | 63,809 | 63,826 |
| Number of traffic signalized intersections | 1,310 | 1,293 |
| Number of motor vehicle registrations (1/1-12/31) | 300,000 | 300,000 |
| **Water:** | | |
| Number of consumers | 129,282 | 128,932 |
| Average daily consumption (in millions of gallons) | 144 | 141 |
| Miles of mains | 1,286 | 1,286 |
| **Sewers:** | | |
| Miles of mains | 1,800 | 1,800 |
| Daily maximum capacity (in millions of gallons) | 650 | 650 |
| **Economic:** | | |
| Taxable retail sales (in millions) | $6,458 | 6,742 |
| Unemployment claims accepted | 34,812 | 30,250 |
| Unemployment claims rejected | 9,932 | 11,184 |
| **Recreation:** | | |
| Number of centers and playgrounds | 100 | 101 |
| Number of day camps | 6 | 12 |
| Number of outdoor swimming pools | 35 | 35 |
| Number of indoor swimming pools | 10 | 10 |
| **Libraries:** | | |
| Number of main and branch buildings | 22 | 21 |
| Number of community and kiosk facilities | 5 | 5 |
| Number of volumes | 2,330,006 | 1,627,311 |
| **Education:** | | |
| Number of public schools | 177 | 178 |
| Education level (in years of formal schooling) | 12 | 12 |

## GENERAL FUND FINANCIAL POSITION

### Last Ten Fiscal Years
### ($000s)

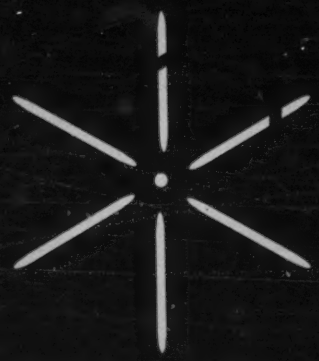
| Fiscal Year | Assets | | | | | Liabilities and Equity | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cash | Receivables | Inventories | Other | Total | Payables | Accruals | Deferrals | Other | Equity |
| 1981 | $ 35,364 | 183,862 | 12,221 | — | 231,447 | 348,975 | 67,000 | 100,321 | 24,661 | (309,510) |
| 1982 | 25,834 | 196,077 | 10,830 | 1,250 | 233,991 | 341,313 | 54,000 | 117,773 | 21,111 | (300,206) |
| 1983 | 13,715 | 250,398 | 13,974 | 708 | 278,795 | 332,129 | 93,866 | 127,217 | 12,903 | (287,320) |
| 1984 | 46,804 | 246,894 | 13,345 | 3,113 | 310,156 | 334,666 | 97,336 | 140,333 | 7,681 | (269,860) |
| 1985 | 93,688 | 253,538 | 15,189 | 1,065 | 363,480 | 349,841 | 100,773 | 145,296 | 12,504 | (244,934) |
| 1986 | 192,504 | 238,306 | 18,754 | 1,646 | 451,210 | 352,035 | 125,652 | 179,295 | 19,109 | (224,881) |
| 1987 | 161,865 | 286,560 | 20,869 | 1,992 | 471,286 | 327,381 | 119,612 | 205,616 | 23,270 | (204,593) |
| 1988 | 91,552 | 359,898 | 24,571 | 1,250 | 477,271 | 328,471 | 125,736 | 228,286 | 13,650 | (218,872) |
| 1989 | 85,885 | 422,038 | 26,332 | — | 534,255 | 337,451 | 136,276 | 261,979 | 11,952 | (213,403) |
| 1990 | 109,710 | 428,092 | 27,744 | — | 565,546 | 419,171 | 158,294 | 306,741 | 12,929 | (331,589) |

## GENERAL FUND OPERATING RESULTS

### Last Ten Fiscal Years
### ($000s)

| Fiscal Year | Revenues | | | | | Expenditures and Uses | | | | Excess (Deficiency) |
|---|---|---|---|---|---|---|---|---|---|---|
| | District | | Intergovernmental | | Total | Current Outlay | Debt Service | Financing Uses | Total | |
| | Taxes | Other | Payments | Grants | | | | | | |
| 1981 | $1,078,830 | 155,085 | 304,684 | 373,720 | 1,912,319 | 1,608,860 | 123,772 | 111,387 | 1,844,019 | 68,300 |
| 1982 | 1,173,725 | 138,309 | 336,600 | 347,990 | 1,996,624 | 1,737,308 | 137,787 | 108,468 | 1,983,563 | 13,061 |
| 1983 | 1,295,927 | 195,090 | 364,143 | 389,587 | 2,244,747 | 1,987,768 | 153,217 | 90,876 | 2,231,861 | 12,886 |
| 1984 | 1,398,812 | 190,639 | 417,222 | 396,322 | 2,402,995 | 2,124,662 | 164,104 | 96,769 | 2,385,535 | 17,460 |
| 1985 | 1,536,027 | 188,226 | 471,353 | 438,340 | 2,633,946 | 2,345,168 | 177,802 | 86,050 | 2,609,020 | 24,926 |
| 1986 | 1,684,535 | 223,860 | 450,265 | 456,421 | 2,815,081 | 2,518,003 | 188,049 | 88,976 | 2,795,028 | 20,053 |
| 1987 | 1,873,667 | 229,083 | 479,500 | 473,157 | 3,055,407 | 2,738,871 | 201,824 | 94,424 | 3,035,119 | 20,288 |
| 1988 | 2,021,912 | 327,802 | 459,500 | 555,197 | 3,364,411 | 3,084,839 | 217,329 | 76,522 | 3,378,690 | (14,279) |
| 1989 | 2,204,598 | 297,826 | 453,800 | 532,967 | 3,489,191 | 3,191,290 | 228,848 | 63,584 | 3,483,722 | 5,469 |
| 1990 | 2,279,127 | 318,812 | 506,966 | 575,357 | 3,680,262 | 3,448,156 | 254,850 | 95,442 | 3,798,448 | (118,186) |

# CELEBRATE THE CITY—



# DISCOVER THE WORLD!